

JOINT AUDIT AND SCRUTINY PANEL

MONDAY 28 FEBRUARY 2022 at 1.00PM Chappell Room, Gedling Borough Council Civic Centre Arnold NG5 6LU

Membership

Stephen Charnock (Chair)
Leslie Ayoola
Peter McKay
Alan Franks
Vacancy

AGENDA

- 1. Apologies for absence
- 2. Declarations of interest by Panel Members and Officers
- 3. To agree the minutes of the meeting held on 30 November 2021
- 4. Progress against the Action Tracker
- 5. Joint Chief Finance Officer Protocol
- 6. Presentation Change Programme Outcomes
- 7. External Audit ISA 260 Report Verbal Update
- 8. Internal Audit Progress Report

- 9. Internal Audit Final Annual Report
- 10. Internal Audit Operational Plan 2022-2023 and Charter
- 11. Precept and Budget Reports 2022-2023
- 12. Audit and Inspection Update
- 13. Assurance Mapping 2022-2023
- 14. Police and Crime Commissioner's Update Report
- Information Management Freedom of Information and Data Protection
 Information Requests Annual Report
- 16. Publication Scheme Monitoring, Review and Assurance
- 17. Joint Audit and Scrutiny Panel Work Programme
- 18. Summary of Actions verbal update

MINUTES OF THE MEETING OF THE NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER JOINT AUDIT AND SCRUTINY PANEL HELD ON TUESDAY 30TH NOVEMBER 2021 COMMENCING AT 10.00 AM IN THE CHAPPELL ROOM, GEDLING BC CIVIC CENTRE

MEMBERSHIP

(A - denotes absent)

Mr Stephen Charnock (Chair)

Mr Leslie Ayoola

Alan Franks

Mr Peter McKay

Vacancy

ALSO PRESENT

Rachel Barber Deputy Chief Constable, Nottinghamshire Police Sharon Caddell Temporary Assistant Chief Executive, OPCC Craig Guildford Chief Constable, Nottinghamshire Police

Caroline Henry Nottinghamshire Police and Crime Commissioner

Mark Kimberley Head of Finance, Nottinghamshire Police

Donna Lawton Nottinghamshire Police

Charlie Radford Chief Finance Officer, NOPCC

Claire Salter Nottinghamshire Police Rob Spray Nottinghamshire Police Justine Wilson Nottinghamshire Police

Noel McMenamin Democratic Services, Nottinghamshire County Council

1) APOLOGIES FOR ABSENCE

2) DECLARATIONS OF INTEREST BY PANEL MEMBERS AND ATTENDEES

None.

3) MINUTES OF THE MEETING HELD ON 29 JULY 2021

The minutes of the last meeting held on 29 July 2021, having been circulated to all members, were taken as read and were confirmed and signed by the Chair.

4) MINUTES OF THE MEETING HELD ON 9 NOVEMBER 2021

The minutes of the last meeting held on 9 November 2021, having been circulated to all members, were taken as read and were confirmed and signed by the Chair.

5) PROGRESS AGAINST ACTION TRACKER

The following progress was reported:

Action 038: Collaboration: Health and Safety – considered at this meeting, then completed and closed.

Action 045: Force Publication Scheme – update on use of website with data from previous years – for consideration at February 2022 meeting.

Action 047: Review of MFSS – Presentation of Lessons Learnt - considered at this meeting, then completed and closed.

Action 048: Comments on draft Annual Governance Statements for 2020-21: no comments received from Panel members. Change in categorisation of 'Wellbeing' from Limited to Satisfactory noted. Completed and closed.

Action 049: Panel member visit to custody suite and joint HQ – noted that custody suite would available from end of 2021 and joint HQ from end March 2022;

Action 050: Information on Victims Code 'hits' on website – advised that the level of detail is not available and so can't be provided. Action to be considered completed and closed.

Action 051: Information for Panel members on outcomes/findings of the 24-hour snapshot exercise on policing and mental health – circulated with agenda papers for this meeting, considered completed and closed.

Action 052: Presentation on Digital Public Contact – to include Single online Home – scheduled for consideration at February 2022 meeting.

6) **HEALTH AND SAFETY**

The Panel considered a report and received a presentation - published with the agenda - from Claire Salter, Head of People Services, highlighting actions taken to address areas for review identified in an internal audit report undertaken by Mazars LLP.

The audit report highlighted 5 areas for review – management of RIDDOR* reportable incidents, training provision, Health and Safety policy, accident reporting process and performance monitoring. The actions taken to address identified issues, highlighted in the report and presentation, included a comprehensive overhaul of RIDDOR-related processes, monitoring and training, conducting a Force-wide training needs analysis and a focus on mandatory Ncalt training uptake, establishing a new training administration team, a refresh of Health and Safety Policy and the embedding of Health and Safety performance management in governance arrangements.

*Reporting of Injuries, Diseases and Dangerous Occurrences

During discussions, it was confirmed that training needs analysis was nearly completed, and that Institution of Occupational Safety and Health Directing Safety training amounted to 16 hours virtual input. The view was expressed that the Covid-19 pandemic had helped increase the profile of Health and Safety within the Force.

The Panel acknowledged and welcomed the significant work that had gone into addressing the issues raised by the internal audit. A request was made for the Health and Safety Annual Plan to be circulated to Panel members for information.

RESOLVED 2021/044

That the report and presentation be noted.

7) INTERNAL AUDIT PROGRESS REPORT

The Panel considered a report, published with the agenda and introduced by Mark Lunn of Mazars LLP, which provided an update against the Internal Audit Plan for 2021-22, along with the outcomes of audits completed to date.

Mr Lunn highlighted the following:

- An updated Collaboration Workforce Planning report had been drafted, and management comments were awaited to finalise the report;
- Three reports, on Performance Management (Substantial Assurance), Firearms Licensing (Satisfactory Assurance) and MFSS transfer progress, which confirmed there were well established governance arrangements in place for the Regain Programme, had been completed to date;
- The internal audit schedule for the remainder of 2021-2022 remained very challenging, with a further ten reports timetabled for completion.

During discussion, a number of issues were raised and points made:

- It was confirmed that there were approximately 12,000 firearms licences held in Nottinghamshire. As home visits had been curtailed during lockdown, risk assessment measures were in place for renewal of licences, and additional sample assurance testing was also carried out;
- The view was expressed that the Collaboration audit plan had explored governance arrangements at great length and offered strong assurance that past shortcomings would not be repeated. The establishment of the collaboration unit helped provide more focussed management and oversight of future collaborative activity;
- Substantial assurance on performance management was noted and welcomed.

RESOLVED 2021/045

To note the report, noting also that the Panel required no additional work in relation to specific audits to ensure it had adequate assurance from the work undertaken.

8) ARCHIVES AND EXHIBITS - PRESENTATION

The Panel received a presentation, introduced by Rob Spray, Head of Archives and Exhibits and circulated with the agenda, providing an update on the progress against the recommendations arising from an internal audit of the management of Seized Property.

The presentation highlighted the main areas of risk, including policies and procedures, training, inconsistent recording, property location and drug storage issues, temporary store access and safe reconciliation issues. It was reported that policies and procedures had been revised and implemented to ensure greater handling consistency, simplified practices, reduced clutter and increased submitting officer responsibility. As a result, the Force had seen a dramatic reduction in handling and administrative errors.

Several issues were raised and points made during discussions:

- the view was expressed that the changes introduced would help change a culture of submitting excessive items over time, with greater responsibility placed on the submitting officer;
- the embedding of training for younger officers meant that good practice was being instilled from the outset, and the benefits of this approach were already apparent;
- the actions implemented should place the Force on a good footing for the upcoming audit of archives and exhibits later in 2022.

RESOLVED 2021/046

To note the presentation.

9) <u>STRATEGIC RISK MANAGEMENT REPORT FOR FORCE AND NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER</u>

The Panel considered the report, published with the agenda and introduced by DCC Barber, providing an up-to-date picture of strategic risk management across the Force and Office of the Police and Crime Commissioner.

The following points were made during discussion:

 It was explained that Nottinghamshire's level of risk-assessed reserves were satisfactory, and that maintaining one of the lowest levels of reserves compared to other Forces and OPCCs nationally was not in itself a negative;

 The Panel was advised that risks associated with the new Command and Control Software lay not with the technology itself, but with compatibility with existing server and related infrastructure. A Gold Group headed up by Assistant Chief Constable Cooper had been established to make sure these issues were being addressed.

RESOLVED 2021/047

That the following be noted:

- The current approach to strategic risk management and the assurance provided as to the effectiveness of those arrangements within the Force and OPCC;
- 2. The two high and one very high strategic risks on the Force's risk register namely Internal Audit report on Seized property, Multi-Force Shared Service (MFSS) transfer of the payroll system to new Fusion solution, and issues related to the new Command and Control Software:
- 3. The high risk on the OPCC risk register relating to Pensions; and
- 4. Appendix 3 to the report, which outlined more in-depth explanations of the mitigation in place in relation to the Force's high-level strategic risks.

10) AUDIT AND INSPECTION UPDATE

The Panel considered the report, published with the agenda and introduced by DCC Barber, which provided an update on progress against recommendations arising from audits and inspections which had taken place in Quarter 3 of 2021-2022, as well as providing a schedule of future audits and inspections.

During discussion, the Panel commended the level of detail provided, and noted that a number of audits awaited HMICFRS actioning and feedback, primarily because of waiting evidence from reality testing. The Panel was given assurance that, despite difficulties in carrying out face-to-face visits during the pandemic, processes had been put in place for domestic abuse cases and firearms licence renewals. A significant Review of Domestic Abuse Post-pandemic was to take place.

Arising from discussion, and following discussion with DCC Barber, it was agreed that the Panel should request a further report on an area which previously identified as having limited assurance, namely Risk Management.

RESOLVED 2021/048

To note the report.

11) MFSS - LESSONS LEARNT - PRESENTATION

The Panel received a presentation, published with the agenda and introduced by DCC Barber, providing a briefing on the lessons learnt arising from the Multi-Force Shared Service (MFSS) project led by Cheshire Police, and identifying how those lessons had been put into practice under Project Regain.

The presentation highlighted shortcomings at almost every stage of the MFSS programme. These included but were not limited to a less-than-robust business case, lack of evidence for having considered alternative solutions, the project team being too removed from the business with poor lines of communication, insufficient governance and risk management checks and balances, lack of consistency of approach across participating Forces, no end-to-end testing or formal training plan, and no technical project support after having gone live.

The Panel expressed the view that it now better understood why the MFSS project did not succeed, and received assurance that the lessons learnt had been applied to the current Project Regain.

RESOLVED 2021/049

To note the presentation.

12) ISA 260 UPDATE AND EXTERNAL AUDIT PLAN

Mark Kimberley, Head of Finance, Nottinghamshire Police, provided a brief verbal update, explaining that due diligence was still being conducted and that the final version was expected to be circulated for sign-off shortly.

RESOLVED 2021/050

To note the update.

13) POLICE AND CRIME COMMISSIONER'S UPDATE REPORT

The Panel considered the report, circulated with the agenda and introduced by Commissioner Henry, providing an update on the Police and Crime Commissioner's activity in fulfilling her statutory duties since September 2021, and on progress on developing her Police and Crime Plan 2021-2024.

The following points were raised during discussion:

- It was confirmed that the Office of the Police and Crime Commissioner had undergone an independent review to inform a restructure of the organisation;
- The Panel welcomed the community engagement that had been undertaken during the reporting period. It also welcomed confirmation that telephone and internet fraud would be addressed in the emerging Police and Crime Plan;

 Commissioner Henry confirmed that she was happy for further meetings of the Listening Group to take place, and for a Panel member to be involved.

RESOLVED 2021/051

To note the report.

14) COMPLAINTS AND REVIEWS ASSURANCE REPORT

The Panel considered the report, which had been published with the agenda and was introduced by Sharon Caddell, Temporary Assistant Chief Executive OPCC, providing information on the management of complaints by Nottinghamshire Police.

During a brief discussion, the Panel requested further information in respect of the completion of a public interest test leading to it not being in the public interest to proceed with the complaint – paragraph 4.4.2 of the report referred. Specifically, the Panel wanted to know the percentage of total complaints deemed not in the public interest to proceed.

RESOLVED 2021/052

To note the report.

15) FORCE REPORT ON COMPLAINTS AND MISCONDUCT, INVESTIGATIONS, NEW AND OPEN CASES

The Panel considered the report, which was circulated with the agenda and introduced by Superintendent Donna Lawton, provided an update on how the Force dealt with complaints and misconduct investigations in the period to 10th November 2021.

RESOLVED 2021/053

To note the report.

16) IOPC INVESTIGATIONS, RECOMMENDATIONS AND ACTIONS,

The Panel considered the report, which was circulated with the agenda and introduced by Superintendent Donna Lawton, provided an update on complaint and conduct matters which had been referred by the Force to the Independent Office for Police Conduct (IOPC) in the period to 9th November 2021.

During a brief discussion, it was confirmed that the Force was performing well above the national average and that there were currently no officers or staff under suspension.

RESOLVED 2021/054

To note the report.

17) PROFESSIONAL STANDARDS CONFIDENTIAL REPORTING PROCEDURE

The Panel considered the report, which was circulated with the agenda and introduced by Superintendent Donna Lawton, provided an update on the operation of the Force's procedures on reporting breaches of professional standards.

During discussion it was reported that policies had been rewritten with a view to instilling confidence among those coming forward that their confidentiality was protected, and this was vindicated by increased numbers using the Confidential Line.

RESOLVED 2021/055

To note the report

18) WORK PROGRAMME

The Panel agreed the Work Programme, noting that it was a dynamic document and subject to further possible change.

RESOLVED 2021/056

To approve the work programme for 2022.

19) SUMMARY OF ACTIONS

RESOLVED 2021/057

To agree that the following actions and amendments be added to the Action Tracker:

Arising from Health and Safety Report and Presentation – circulation of Health and Safety Annual Plan to Panel members.

Arising from Audit and Inspection Update – Revisit list and request a further report on an area of limited assurance – Risk Management

Arising from Complaints and Assurance Report – Further information on cases where application of the public interest test led to a complaint not being taken forward.

The meeting ended at 12.25pm

AUDIT & SCRUTINY PANEL MEETING

Actions arising from previous meetings and progress against action tracker

	ACTION	ALLOCATED TO	TIMESCALES FOR UPDATES	UPDATE
045	Arising from Force Publication Scheme February 2021 – Update on use of website, with data from previous years to compare usage trends	Force	July 2022	For inclusion in future reports on Force Publication Scheme
049	Arising from Capital Expenditure item May 2021 – Panel members to have visit the new custody suite and joint HQ in due course	Force/Panel	February 2022	To be confirmed by Force when visits are appropriate/feasible: current estimate Custody Suite March 2022; Joint HQ – April 2022 – Update at February 2022 meeting
052	Arising from Publication Scheme July 2021: Presentation on Digital Public Contact – to include Single Online Home – to second meeting of 2022	Force	April 2022	Amend work plan and consider April 2022
053	Arising from Health and Safety Report and Presentation November 2021 – circulation of Health and Safety Annual Plan to Panel members	Force	February 2022	Annual Plan received – for circulation with agenda – complete and close.
054	Arising from Audit and Inspection Update November 2021 – Revisit list and request further report on area of limited assurance – Risk Management	Force	February 2022	To schedule in Work Programme

055	Arising from Complaints and Assurance Report –	OPCC	February 2022	Response pending – to update
	Further information for Panel on cases where			at February 2022 meeting
	application of the public interest test led to a			
	complaint not being taken forward			



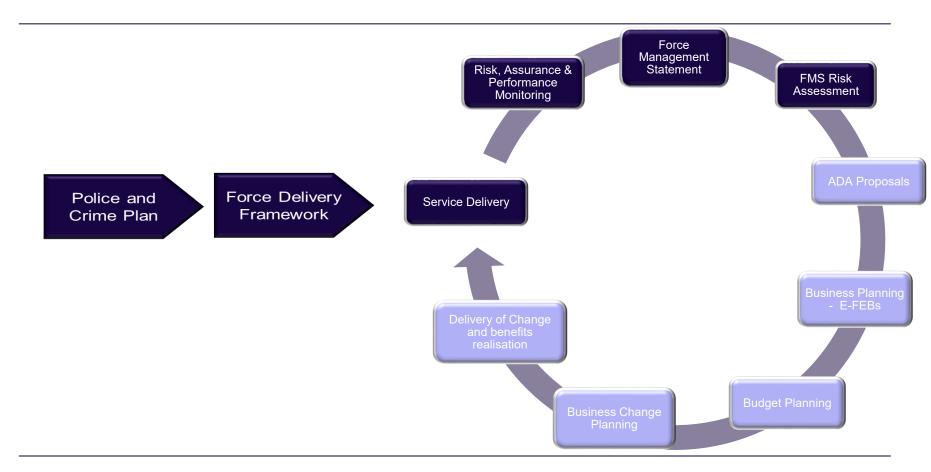
Change Programme Outcomes Summary of completed and future ADA proposals

Joint Audit & Scrutiny Panel

February 2022



Business Planning Cycle





Significant Achievements from 2020/21

- Nottinghamshire Police and Fire and Rescue
- New Custody suite
- Fleet review
- Drone
- Reacher Teams consolidated into Neighbourhoods
- Neighbourhood Policing Hub















Force Priority Programmes

National Enabling Programmes - Delivery of Microsoft 365

Programme Regain (MFSS Service transition)

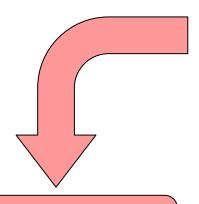
Digital Futures

Including Single Online Home, Live chat and digital media storage

(Some are multi year projects that currently and will continue to demand significant enabler and financial support)



Proposals for the forthcoming Financial Year (2022-2023)



Proposals Closed: **33**

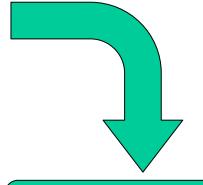
Closed at Workshops: 22 Closed by COT Team: 7 Closed by other means: 4 Initial proposals received in total: **73**

Requesting additional finance: 10 Requesting enabler support: 30 Requesting resource (uplift in staff/officers): 35

**Some proposals include requests for multiple areas



Progressed by other means: 6



Proposals Still Live: **34**

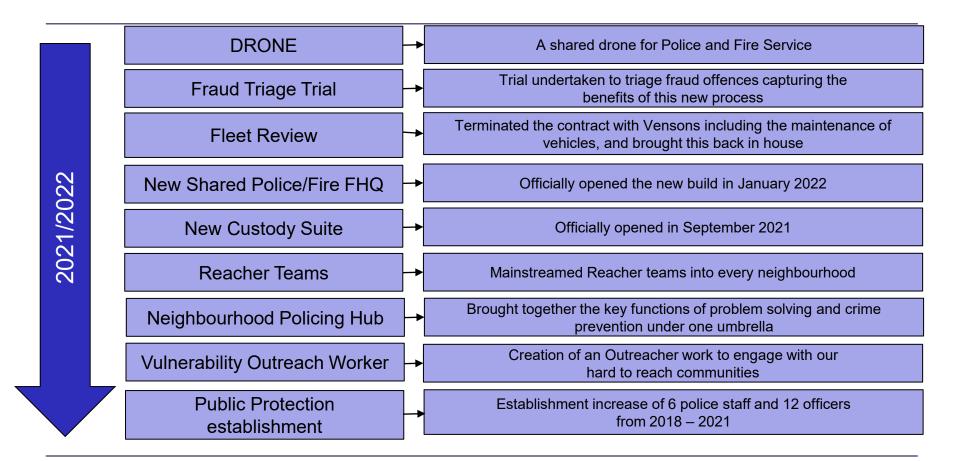
Requesting additional finance: **5**Requesting enabler support: **6**Requesting resource (increase in staff or officers): **25**

**Some proposals include requests for multiple areas



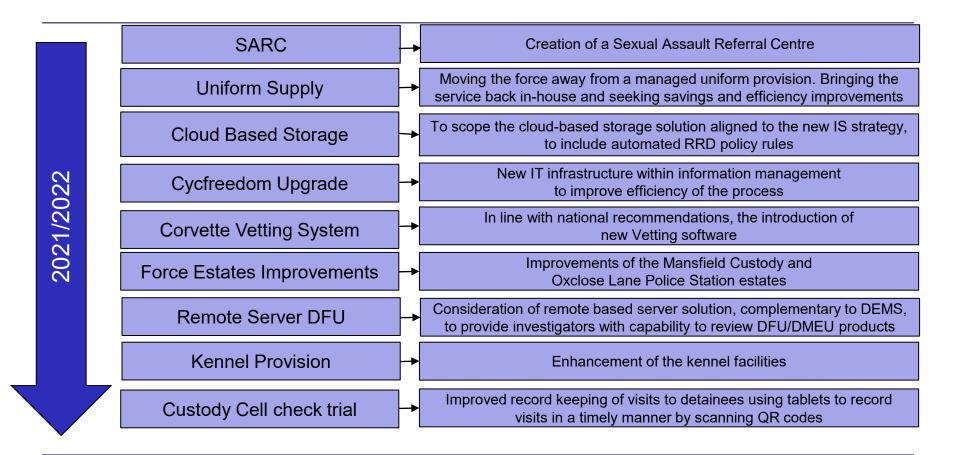
The total estimated investment is £700k

Completed Projects



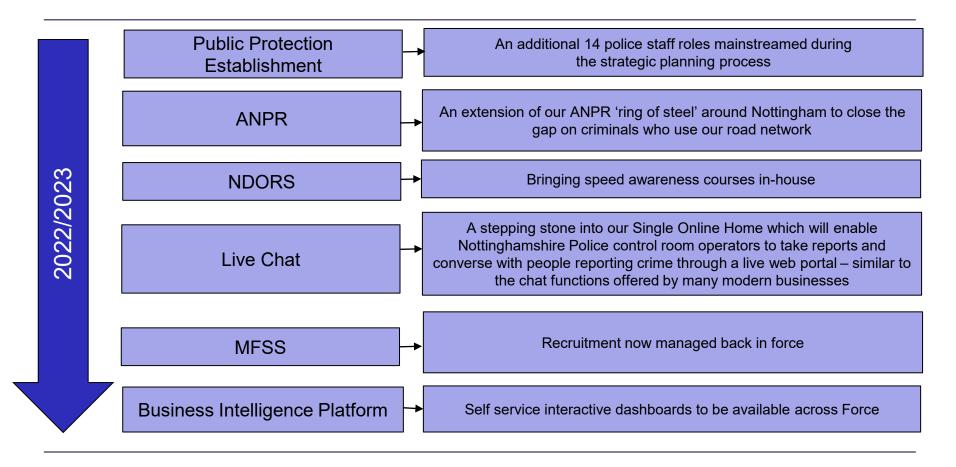


In-flight Projects





Highlights of our up and coming projects





Reinvestment of Savings

Futures Board/Investments 2021/22	£'000
Original Base Budget	900
Increase in Base due to more favourable settlement grant	275
	1,175
In Year Cashable Savings 2021/22	
Restructure Savings (Fleet & A&E)	850
Reduction in Regional Staffing costs	300
Single On-Line Home	100
	1,250
Total value of Investment Opportunities	2,425
Futures Board/Investments 2022/23	£'000
Original Base Budget	500



Governance and Benefits Realisation

- Investment in portfolio management software
- Enhanced Governance via the system
- Efficiency savings anticipated with automation of tasks (reports/highlights)
- Improved understanding of risk due to higher level overview of portfolio
- Development of new project/activity initiation process to increase enabler oversight early – improving rate of delivery success
- Full evaluation of each project



Any Questions?



For Information				
Public/Non-Public*	Public			
Report to:	Joint Audit and Scrutiny Panel			
Date of Meeting:	28 th February 2022			
Report of:	Police and Crime Commissioner and Chief Constable			
Report Author:	Sharon Caddell, Chief Executive and Monitoring Officer			
E-mail:	sharon.caddell@notts.police.uk			
Other Contacts:	Ruth.Rolling@notts.police.uk			
Agenda Item:	5			

Joint Chief Finance Officer Protocol

1. Purpose of the Report

1.1 The purpose of this report is to provide the Joint Audit and Scrutiny Panel (JASP) with assurance in respect of the Joint Chief Finance Officer (JCFO) role that is presently in place across. The JCFO provides financial advice to both the Police and Crime Commissioner (PCC) and the Chief Constable (CC).

2. Recommendations

- 2.1 It is recommended that JASP approves the Joint Chief Finance Officer (JCFO) protocol (Appendix 1) for the term of its operation.
- 2.2 It is recommended that JASP reviews that JCFO protocol if it is necessary to continue with a JCFO following the term of the current temporary arrangement period (until 30th April 2022).
- 2.3 JASP is recommended to note the strategic risk to financial governance that exists with a JCFO role; to this extent, early advice has been provided to both Internal and External Audit on the temporary creation of the JCFO post.
- 2.4 JASP is also recommended to consider the assurance that the JCFO protocol provides in respect of ensuring effectiveness of financial advice arrangements within the Force and OPCC.

3. Reasons for Recommendations

- 3.1 A vacancy arose in the statutory officer role of OPCC CFO on 22 December 2021, with relatively short notice given on 20 December 2021. The PCC's substantive CFO, Mrs Charlotte Radford, gave notice of her intention to leave her post on 31st January 2022. Mrs Radford was entitled to take her annual leave entitlement prior to finishing in her employment with the OPCC, and she has requested to do this after 22nd December 2021. The PCC wishes to extend her formal thanks to Mrs Charlotte Radford for her years of service to the OPCC.
- 3.2 Schedule 1 7 (1) PRSRA 2011 requires the PCC to appoint a person to act as Chief Finance Officer (CFO) if and for so long as the post is vacant or the

holder of the post is unable to carry out the duties of the role. The PCC is also obliged, by Section 151 Local Government Act 1972, to appoint a chief finance officer who is responsible for the administration of the financial affairs of the Office of Police and Crime Commissioner (OPCC).

- 3.3 Given the urgent need to ensure no vacancy arose, a request was made to Chief Constable Craig Guildford to provide support to the Office of PCC (OPCC, in accordance with Policing Protocol Order SI 2011/2744 17(g) (PPO 2011), to ensure the OPCC would be able to discharge the PCC's statutory duties and use the PCC's powers to best effect in Nottinghamshire, and to maintain an effective and efficient police force for the Nottinghamshire area.
- 3.4 Such requests for support from police forces are enabled under the following specific provisions of the PPO 2011, which sets out how the functions of PCCs and CCs are operated in relation to each other:
 - Para 19 In order to enable the PCC to exercise the functions of their office effectively, they will need access to information and officers and staff within their force area. Such access to any information must not be unreasonably withheld or obstructed by the Chief Constable and/or fetter the Chief Constable's direction and control of the force; and.
 - Para 23(d) Providing the PCC with access to information, officers and staff as required.
- 3.5 In response, CC Guildford agreed that his substantive Chief Finance Officer, Mr Mark Kimberley, could temporarily act as a Joint Chief Finance Officer for both the PCC and Nottinghamshire Police until 30th April 2022. The PCC wishes to record her thanks to CC Guildford for providing this collegiate support to the OPCC and would further note that CC Guildford's provision of support will ensure the continued operational effectiveness of Nottinghamshire Police.
- 3.6 Mr Kimberley's CFO service provision to the Office of Police and Crime Commissioner for Nottinghamshire will be enabled through a short-term arrangement between our Office and Nottinghamshire Police. The arrangement will terminate after 30th April 2022.
- 3.7 Mr Kimberley was formally proposed as the interim CFO for the OPCC to the Nottinghamshire Police and Crime Panel on 24th January 2022, in accordance with Schedule 1 9 (1) Police Reform and Social Responsibility Act 2011. The Panel reviewed his appointed and subsequently made a positive recommendation to the PCC in support of his appointment.
- 3.8 JASP members will note that that proposal has the effect of creating a temporary Joint CFO arrangement between the PCC, and CC Guildford, to ensure continuity in provision of a statutory CFO in the OPCC, and the operational effectiveness of Nottinghamshire Police.
- 3.9 It is proposed that a Joint Chief Finance Officer Protocol (JCFO), at Appendix 1, be used alongside the risk mitigations that are detailed at para 4.3 for the period that a JCFO arrangement is in place.

- 3.10 The JCFO enables both the PCC, and CC, to request additional independent advice in circumstances where it is perceived that the advice from the JCFO may be subject to perceived or real conflict of interest.
- 3.11 All advice of a financial nature provided to the PCC by the JCFO should, as a matter of course, be considered by the PCC's Chief Executive, and similarly by the Chief's Deputy CFO (as detailed at 5.1).
- 3.12 JASP are advised to note that there are three potential reasons identified which might in the future lead to a need to consider changing the current position, if it were to continue:
 - a) future legislation could remove the opportunity to have a JCFO (there is presently no indication that such legislation is forthcoming);
 - b) if the current post-holder were to leave, due to the level of trust, skill set in maintaining an ethical separation, and corporate memory, all of which helps to facilitate the post's effective operation (there is presently no indication that the JCFO is planning to do this); and,
 - c) any future growth in the PCC's governance responsibilities, interest and influence. This may include other areas within the Criminal Justice System, or with other blue light services. A natural consequence would be an increased volume of budget and commissioning responsibilities, and as such, the likelihood of potential conflict of interests between the Constabulary and PCC in financial decision-making would be greater. The government has announced the publication of a white paper to be published this year concerning PCC responsibilities to adopt Fire Governance, as exists in some PFCC offices already. The JCFO role may need to be revisited prior to the annual review once the detail of any consultation is known and what policy decisions are made by government and the PCC.
- 3.13 If any of the above scenarios were to arise in the period of the JCFO arrangements, the existing JCFO would be consulted by the PCC, Chief Constable and Chief Executive over any changes.
- 3.14 In the meantime, the PCC, Chief Constable and Chief Executive support a JCFO arrangement, and JASP is recommended to endorse this view.

4. Summary of Key Points

Risk management policy and process

4.1 JASP members are invited to note that there is an elevated corporate risk presented by temporarily combining the two CFO posts and designating a single officer, as described in pages 19-20 of 'The Role of CFOs in Policing,' Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, March 2021. It should be noted that benefits can also be offered through Joint CFO arrangements, and that this is considered pragmatic at the present time.

- 4.2 This arrangement does not give rise to any contravention of the provisions of the PRSRA 2011, and there will a cost saving benefit in the short-term. However, while the PCC presently embraces the interim benefits provided through the Joint CFO and is grateful for the CC's support, this is not her preferred configuration for fulfilment of the OPCC CFO role beyond the short-term statutory need. It is her intention to recruit into a separate distinct role for the OPCC, and the advert for that post was published on 14th February 2022.
- 4.3 In recognition of the corporate risk posed through the Joint CFO role, the PCC requested that her CEO formally advised the Chair of the Joint Audit Committee of the temporary establishment of the role, and of the governance risks presented through the combined CFO post. To mitigate these risks, the PCC also requested that appropriate safeguards be put in place, including:
 - The appointment of a deputy CFO within Nottinghamshire Police;
 - The development of a Joint Protocol between the PCC and the Chief Constable to establish a control framework, referencing the Policing Protocol Order 2011, for protecting the impartiality of the CFO's advice to the two corporate soles, and to navigate any areas of conflict appropriately;
 - Review of the Joint Code of Corporate Governance; and,
 - Review of the role profile of the CFO, to ensure its adherence with the five CFO principles set out by CIPFA, and ethical behaviour including:
 - Requesting a review by JASP to ensure that the CFO is not subject to undue pressure by either myself or the CC;
 - Taking assurances from Internal and External Audit, as well as advice from Majesty's Inspectorate of Constabulary and Fire and Rescue Services in respect of specific issues; and,
 - Commissioning a peer review from Durham Constabulary's Assistant Chief Officer (S151 officer) to provide advice on the financial management and efficiency of both corporate soles, including how information and assurance is provided to the PCC, and the process for risk management and dispute resolution.
 - 4.4 A further safeguard is available through s36 PRSRA 201, which requires the CC to give all relevant information to the PCC as needed. In ensuring this requirement is fulfilled, the S151 status of the CFO requires him to act in the public interest should he consider that undue pressure is being placed on him to act in a manner which is unprofessional. Internal whistleblowing procedures (Bad Apple) are in place to protect the CFO in this regard. Section 114 of the Local Government Finance Act 1998 requires the Section 151 Officer to issue a report if there is likely to be unlawful expenditure or an unbalanced budget.

5. Financial Implications and Budget Provision

- 5.1 The agreement that has been developed between my Office and CC Guildford sets out the terms and conditions of his temporary appointment, which includes:
 - Remunerating Mr Kimberley for additional work undertaken to fulfil a temporary full-time joint CFO role, paid at the rate for the OPCC CFO,

- top of grade, and uplifted by 10% for combined duties undertaken. The top up to his existing salary will be recharged to the OPCC;
- Remunerating an internal Nottinghamshire Police appointee, Mr Danny Baker for addition duties undertaken temporarily to fulfil the role of Deputy CFO, at one full grade above his existing salary to account for the additional responsibility. The top up to his existing salary will be recharged to the OPCC;
- Payment of an honorarium each month to Chief Accountant Maria Fox for additional work undertaken by her to support the above-mentioned temporary arrangements; and,
- Payment of additional monies towards the cost of an internal Nottinghamshire Police appointment to temporarily act up to Head of Transport to cover Mr Kimberley's abstraction into a joint CFO role for the two corporate soles.

6. Human Resources Implications

- 6.1 In accordance with Schedule 1 6 PRSRA 2011, the PCC is required to appoint a CFO, who:
 - acts as her principal advisor in respect of the financial affairs of her Office:
 - manages the totality of the Finance Affairs of her Office in all its dealings;
 - is a member of a specified accountancy body;
 - reports to internal and external auditors, Joint Audit Committee, and Police and Crime Panel on budget and precept, adequacy of financial reserves, compliance with prudential capital regime, and adherence to financial regulations
 - reports on any unlawful expenditure or an unbalanced budget; and,
 - maintains effective audit, accounting, and control systems
- 6.2 Terms and conditions have been formalised in a written arrangement that the PCC has formally agreed with CC Guildford, Mr Kimberley's employer, in respect of the temporary provision of his services.

7. Equality Implications

- 7.1 The Equality Act 2010 introduced a duty on public authorities to, in the exercise of their functions, have due regard to the need to: eliminate conduct prohibited by the EA 2010, such as discrimination, harassment and victimisation related to an individual's protected characteristics; and, to advance equality of opportunity and foster good relationships between people in carrying out their activities.
- 7.2 The appointment of a CFO will ensure that the discharge of my Office's functions is lawful and fulfils my duties under EA 2010.

8. Risk Management

- 8.1 As noted at paragraph 3.2, the law does not permit me to have a gap in Chief Finance Officer provision. This temporary appointment mitigates against any breach of the requirement at Schedule 1 7 (1) PRSRA 2011. The statutory appointment of a Chief Finance Officer creates provision for management of risk within my Office and in the discharge of its functions.
- 8.2 However, the appointment of Mr Kimberley as temporary CFO for both myself and the CC does create corporate risk, as noted at paragraph 4.1. Mitigations against the identified risks arising from joint CFO provision have been detailed in paragraphs 4.2-4.4.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 The appointment of temporary Chief Finance Officer will ensure that the staff within my Office discharge its functions in accordance with the PRSRA 2011.
- 9.2 This appointment will also ensure that the delivery of the priorities within my Police and Crime Plan are appropriately costed and budgeted for.

10. Changes in Legislation or other Legal Considerations

10.1 As noted at paragraph 3.2, the law does not permit me to have a gap in Chief Finance Officer provision. The proposal of this temporary appointment will mitigate against any breach of the requirement at Schedule 1 7 (1) PRSRA 2011.

11. Details of outcome of consultation

11.1 None – for information only.

12. Appendices

12.1 **Appendix 1** – Joint CFO Protocol.

JOINT CHIEF FINANCE OFFICER Safeguards Protocol

Introduction

- 1. This document has been produced by the Nottinghamshire Office of Police and Crime Commissioner (OPCC) to give assurance to the Joint Audit and Scrutiny Panel (JASP), and the public, about the role of the Joint Chief Finance Officer (JCFO).
- 2. The Police and Crime Commissioner (PCC) receives the Police Grant from the Home Office and is responsible for setting the police budget and holding the Constabulary to account. Her Chief Finance Officer is responsible for advising her on those processes.
- 3. A conflict of interest could arise if her Chief Finance Officer, and the Constabulary's Chief Finance Officer, is the same person. However, there are also potential benefits, and this is the arrangement that the PCC has chosen for a temporary period, in order to be compliant with the requirement as set out by Sch 1 7 (1) Police Reform and Social Responsibility Act 2011. As such, the PCC's office has put in place safeguards to manage the risk of conflict of interest with the Chief Finance Officer. This document sets out those safeguards.

Rationale for Arrangement

- 4. The PCC's primary responsibility is to secure the maintenance of an effective and efficient police force. She has established the role of Joint Chief Finance Officer (JCFO) to assist her. The joint role brings ongoing financial and operational benefits, including:
 - More effective, streamlined decision making;
 - The provision of consistent expert advice;
 - Reduced costs, by having one full time equivalent member of staff fulfil both roles.
- 5. The Chief Finance Officer is also the Section 151 Officer (cf. Local Government Act 1972) for both the PCC and the Chief Constable, responsible for the proper administration of their financial affairs.

Risk and Mitigation

- 6. The PCC's Chief Finance Officer might face a conflict of interest because he is also the Chief Finance Officer to the Chief Constable. The most obvious theoretical manifestation of this would be an inability to provide independent advice, particularly on holding the Chief Constable to account on financial matters
- 7. In looking to mitigate the impact of this risk, the OPCC will (with advice from Internal Audit) ensure a Control Framework is established, in accordance with relevant legislation.

8. The PCC has considered the risk alongside this Control Framework and considers that the benefits outweigh the risks, once the Control Framework is taken into account. Its elements are set out below.

Control Framework

- I. The Strategic responsibilities of both the PCC and CC are set out in the Policing Protocol Order 2011. This makes it clear that the PCC is ultimately accountable to the public for the management of the police fund while the CC has day to day responsibility for managing their allocated budgets.
- II. The OPCC and Nottinghamshire Police's Code of Corporate Governance will be updated to set out how powers and delegations will be exercised by the JCFO, Chief Executive and the Chief Constable. It acts as an important safeguard and form of assurance for the PCC in preventing the CC from committing expenditure or carrying out certain activity which the PCC may otherwise not wish to be involved in.
- III. Job descriptions, as defined within the Code of Corporate Governance, have been developed in accordance with Section 4 of the Home Office Financial Management Code of Practice for the Police Service in England and Wales and are in place for each role.
- IV. S36 of the Police Reform and Social Responsibility Act 2011 requires the CC to give all relevant information to the PCC as needed. In ensuring this requirement is fulfilled, the S151 status of the CFO requires him to act in the public interest should he consider that undue pressure is being placed on him to act in a manner which is unprofessional. Internal whistleblowing procedures (Bad Apple) are in place to protect the CFO in this regard. Section 114 of the Local Government Finance Act 1998 requires the Section 151 Officer to issue a report if there is likely to be unlawful expenditure or an unbalanced budget.
- V. In addition to the legislative requirements identified above, the "Role of the Chief Financial Officer in Local Government", a publication by the Chartered Institute of Public Finance and Accountancy outlines five principles which the Joint CFO as a professionally qualified Accountant should adhere to. All of the principles within the document are underpinned by the need for the JCFO to act ethically i.e., with integrity, objectivity, professional competence and due care, confidentiality, with professional behaviour and with impartiality.
- VI. The CFO is employed by the CC. Work undertaken for the PCC is delivered through an agreement for the provision of services, reporting through the Chief Executive. This means that advice from the CFO to the PCC can be checked and challenged by the Chief Executive before it reaches the PCC and the PCC can be provided with additional advice if necessary.
- VII. The PCC intends to transform its governance relationship with the Chief Constable and Nottinghamshire Police in accordance with the emerging outcomes of the Home Office Review into PCCs, which it is expected will

require greater transparency, visibility, and accountability. It is expected that finance will be a standing item on the PCC's monthly accountability board agenda (formal title to be confirmed). The membership of that group will be defined in a terms of reference and it will include the statutory officers: PCC, CC, Chief Executive and CFO, as well as the Deputy CC, Head of Legal, Head of Estates, Head of Commissioning, and Head of Strategy and Performance as a minimum.

- VIII. A written report will be presented by the JCFO, outlining the current and future financial position of both the PCC and CC along with any necessary decisions and actions that need to be made. This ensures transparent and comprehensive discussion prior to any novel, contentious or repercussive decisions being taken. All decisions taken will be formally recorded and published in line with the PCC's transparency obligations.
 - IX. A Dispute Resolution Process using Informal and Formal Mediation will be put in place to provide additional support to the PCC in holding the CC to account. In addition to the various internal controls outlined above, the PCC or CC can request external advice from a third party, such as another PCC/CC CFO, should they not be satisfied with the advice that they have received from the JCFO. Alternatively, they could request advice from HMICFRS. Under S54 of the Police Act 1996, a PCC can request HMICFRS carry out an inspection on any aspect of the force's operations, including obtaining information.
 - X. The PCC can access Internal Audit to confirm that checks and balances exist to ensure high standards of governance and adequate risk management is in place. Similarly, they can take assurance from External Audit in ensuring overall financial probity as auditors of both the PCC and CC. They could also be used to offer an external opinion should the PCC or CC be concerned as to any lack of transparency or independence by the JCFO.
 - XI. At any point, either the PCC, CC or JCFO can terminate this agreement. This would result in the PCC needing to appoint another CFO, which the Chief Executive would advise him on. It is presently the PCC's intention to recruit a distinct OPCC CFO.
- 9. Three potential reasons have been identified which could lead to a change in the current position:
 - a) future legislation could remove the opportunity to have a JCFO (there is presently no indication that such legislation is forthcoming);
 - b) if the current post-holder were to leave, due to the level of trust, skill set in maintaining an ethical separation, and corporate memory, all of which helps to facilitate the post's effective operation (there is no indication at present that there is any risk of this occurring); and,
 - c) Any future growth in the PCC's governance responsibilities, interest and influence. This may include other areas within the Criminal Justice System, or with other blue light services. A natural consequence would be an increased volume of budget and commissioning responsibilities, and as

such, the likelihood of potential conflict of interests between the Constabulary and PCC in financial decision-making would be greater.

Contact information

Enquiries about this protocol should be directed to the Office of the Police and Crime Commissioner at carolinehenrypcc@notts.police.uk



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Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Nottinghamshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Nottinghamshire and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the Nottinghamshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Nottinghamshire and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in Appendix A1 of this report for further information about responsibilities, limitations and confidentiality.

01 Summary

The purpose of this report is to update the Joint Audit & Scrutiny Panel (JASP) as to the progress in respect of the Operational Plan for the year ended 31st March 2021, which was considered and approved by the JASP at its meeting on 24th February 2020. It will also provide an update on the progress in respect of the Operational Plan for the year ended 31st March 2022, which was considered and approved by the JASP at its meeting on 24th February 2021.

The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.

Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.

Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.

Our work is delivered is accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Current progress

2020/2021

We are pleased to confirm that the Risk Management & the Collaboration Workforce Planning audits have now been issued as final, see Appendix A3 for full details.

2021-2022

Since the last meeting of JASP we are pleased to inform the committee that the final reports for Core Financials and OPCC Charities Accounts have been issued, see Appendix A3 for full details. In addition, the draft reports for Information Assurance, GDPR and Business Change are due to be issued.

The fieldwork for Health & Safety follow up audit commenced at that start of February with the three remaining audits of Partnerships, Procurement and Seized Property all scheduled to take place during March.

There has been one change to the agreed IA Plan for 21-22 with Workforce Planning removed from the plan, at the time of audit planning in February 2021 the Workforce Planning audit completed as part of the 20-21 Plan was yet to be finalised and looked like it would receive a limited assurance and in line with the agreed audit approach to follow this up within 12 months' time was included in the 21-22 plan to completed this. However, upon review and further information being provided the end result was a Satisfactory Assurance opinion being provided, therefore upon discussion with the Chief Finance Officer it was agreed that completing an audit of workforce planning would not be the best use of audit time and therefore it has been removed from the agreed IA Plan 21-22.

One amendment to the Collaboration Audit Plan 21/22 has been made following agreement by the regional CFO's and that is in relation to the proposed audits of EMSOT (East Midlands Special Operations Training Unit). This unit is working towards disbandment by March 2023 and therefore it was agreed to amend the focus of the audit at this unit towards assurance on the project being followed up to this point. Therefore, regional CFO agreed to defer this audit into the 22/23 Plan and to re-adjust the focus of this audit. Please see Appendix A4 for full details. The draft report for the Collaboration EMSOU Wellbeing audit has been issued and the remaining audits are scheduled to take place across quarter 4. It is unfortunate but due to staff availability we have had to schedule the completion of two of the collaboration audits during early April, whilst this is not ideal we foresee no impact on our ability to issue the Annual Internal Audit Report for 2021/22 in a timely manner.

03 Performance

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

Number	Indicator	Criteria	Performance
1	Annual report provided to the JASP	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JASP	As agreed with the Client Officer	Achieved
3	Progress report to the JASP	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	80% (4/5)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (5/5)
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (5/5)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (3/3)
	survey)		2 x Very Good
			1 x Good

A1 Plan overview 2020/2021

Audit area	Proposed Dates	Draft Report Date	Final Report Date	Target JASP	Comments
Core Financial Systems	Q3	February 2021	May 2021	May 2021	
Workforce Planning	Q1	November 2020	December 2020	Feb 2021	
Victims Code of Practice	Q1	September 2020	October 2020	November 2020	
Estate Management	Q2	October 2020	November 2020	November 2020	
Wellbeing	Q4	February 2020	July 2021	May 2021	
Debt Recovery	Q3/4	February 2021	May 2021	May 2021	
Seized Property	Q3	February 2021	May 2021	May 2021	
Business Change	Q3			n/a	C/fwd. into 2021/22 Plan
Complaints Management	Q4	April 2021	July 2021	May 2021	
Risk Management	Q4	February 2021	February 2022	May 2021	
IT Security: Follow Up	Q3	January 2021	February 2021	Feb 2021	
GDPR: Follow Up	Q3	January 2021	February 2021	Feb 2021	

Plan overview 2021/2022

Audit area	Proposed Dates	Draft Report Date	Final Report Date	Target JASP	Comments
Performance Management	Q1	July 21	Sept 21	Sept 21	
Firearms Licensing	Q1	July 21	Sept 21	Sept 21	
MFSS Transfer - Q1 & Q2	Q1/Q2	Sept 21	Oct 21	Nov 21	
Core Financials	Q3	Jan 22	Feb 22	Feb 22	
OPCC Charities Account	Q3	Dec 22	Dec 22	Feb 22	
Business Change	Q4			Mar 22	Fieldwork Completed
Health & Safety	Q4			Mar 22	Fieldwork Underway
Workforce Planning	Q4			Mar 22	Removed from plan
Procurement	Q4			Apr 22	Date Agreed 03-Mar-22
Partnership	Q4			Apr 22	Date Agreed 07-Mar-22
Seized Property	Q4			Apr 22	Suggested date provided 14-Mar-22
Information Assurance	Q3/Q4			Mar 22	Draft Reports to be issued
GDPR	Q3/Q4			Mar 22	Draft Reports to be issued

Collaboration Audit Plan 2021/22

Audit area	Forces	Status
EMSOT Risk Management	Leics, Lincs, Northants	As noted in section 02 EMSOT audits to be adapted and deferred into 22/23
ESMOT Business Plan	Leics, Lincs, Northants	As noted in section 02 EMSOT audits to be adapted and deferred into 22/23
EMSLDH Governance	Derby, Leics, Northants, Notts	Scheduled for 28th February
EMCJS Performance Management	Leics, Lincs, Northants, Notts	Scheduled for 6 th April
EMSOU - Business Continuity	Five Force	Scheduled for 7 th March
EMSOU - Wellbeing	Five Forces	Fieldwork is complete and draft report to be issued shortly
EMSOU Risk Management	Five Forces	Scheduled for 24th March
Asset Management (EMCJS)	Leics, Lincs, Northants, Notts	Scheduled for 6th April

A2 Reporting Definitions

Assurance Level	Control Environment
Substantial Assurance	There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied.
Adequate Assurance	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk. The level of noncompliance with some of the control processes may put some of the College's objectives at risk.
Limited Assurance	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk. The level of non-compliance puts the College's objectives at risk.
No Assurance	Controls are generally weak leaving the system open to significant abuse and/or we have been inhibited or obstructed from carrying out or work.

Recommendation Priority	Description
1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
2 (Significant)	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

A3 Summary of Reports

Collaboration Workforce Planning 20/21

Overall Assurance Opinion	Satisfactory	
Recommendati	on Priorities	
Priority 1 (Fundamental)	-	
Priority 2 (Significant)	-	
Priority 3 (Housekeeping)	2	

Our audit considered the following risks relating to the area under review:

- Governance arrangements for Workforce Planning are clearly defined, including roles and responsibilities, risk management processes, decision making and reporting arrangements.
- The collaboration has controls in place to ensure resources are prioritised for the current level of demand for the unit and appropriate actions plans are put in place to reallocate resources as required.
- There are robust succession planning processes in place which identify and develop officers and staff and provide structured opportunities for secondments and promotions for employees who are prepared to assume these roles as they become available.
- Key roles are identified within the organisation and relevant succession plans are put in place to address these.
- There are robust monitoring processes in place to ensure that the Force has up to date and accurate Establishment data in place.
- The collaboration unit regularly undertakes skills analysis to identify any areas of concern, with appropriate action plans put in place to address them.
- The collaboration unit regularly analyses its existing workforce and have a variety of models in place that identify key risks across the workforce
- There is regular communication between the collaboration unit and the respective Forces in regard to any risks associated with the existing workforce and plans are put in place to mitigate the risk.

The objectives of our audit were to evaluate the adequacy and effectiveness of the workforce planning systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

As part of the review, we carried out an audit of the process in place across the region in respect of Workforce Planning within a sample of collaboration units agreed by the CFOs – East Midlands Special Operations Unit – Serious Organised Crime (EMSOU-SOC), East Midlands Special Operations Unit – Forensic Services (EMSOU FS) and East Midlands Collaborative Human Resources Service – Occupational Health Unit (EMCHRS-OHU).

We have raised two priority 3 recommendations of a more housekeeping nature. To provide the JASP with full details of each recommendation and management response these are detailed below:

Recommendation 1 (Priority 3) To prevent the negative impacts from late cancellation of cohorts on EMCHRS OHU workforce planning.

- Communications between the Force's and OHU should be improved.
- Where OHU have to deal with last minute changes, a lesson learned review should take place to prevent reoccurrence.

	During discussions regarding demand planning in the Occupation Health Unit, it was noted that the unit regularly receives notification of cancelled and/or delayed cohorts, notification of new cohorts and receives required information for processing and appointments within short timescales.
	This impacts the ability of the Unit to properly profile upcoming demand on the Unit and then ensure an appropriate level of resource is in place and allocated in response. Additionally, it can cause an over reliance on bank staff to fill peaks in demand, which does not provide strong value for money where using employed staff is generally a more efficient use of funds.
Finding	Whilst there is no easy solution to this due to the nature of police recruitment the risks could be further reduced through improved communication between the OHU and Force's. Secondly through reviewing where and why things have gone wrong this will allow continuous improvement to be built into the process.
	This would minimise the financial impacts of an over reliance on bank staff by making demand profiling less immediate. It would also minimise any impact on the Unit's, and ultimately the Force's, reputation from pulling out of agency employment and staff assignments at short notice — something that has been attributed to high turnover rates in the Unit with Occupation Health Nurses.
	Risk: Unit is unable to appropriately plan and/or profile for service demand.
Response	Communication is already improved and will be maintained as discussed in the meeting with the authors in October 202. (Already Done)
	If there are issues a lesson learnt review will be instigated as required.
Responsibility / Timescale	Review will be a collaboration with recruitment and OH and facilitated as required. / T Stacey

Recommendation 2 (Priority 3)	EMSOU SOC should ensure that an intranet site and/or SharePoint site is in place for staff and officers to access shared information, including job descriptions and person specification for roles within the unit to allow for workforce planning.
	: As part of the audit review into the identification of key roles and processes for succession planning, audit noted that job descriptions and person specifications were important documents needed for this process.
	While it was noted that most roles in the units reviewed had job descriptions and person specifications in easily accessible locations, it was noted that there was no such location for ESMOU SOC.
Finding	It was noted in discussions that job descriptions and person specifications for police staff were held on the Leicestershire Police intranet but that the equivalent for officers were not held on an intranet site.
	Additionally, while the Leicestershire Police intranet should be accessible for all police staff (who are ultimately employed by the OPCC), officers are still employed by their home force and as such may not have access to this intranet portal.
	Risk: Effective succession planning is not in place for key roles.
Response	There is a piece of work being led by Andrew Price and Jack March on intranet and internet development. The complexities of an EMSOU intranet are being scoped. Staff have undertaken a survey in relation to content and further deep dive workshops are being arranged.

Responsibility / Andrew Price
Timescale Apr 22

Risk Management 20/21

Overall Assurance Opinion	Limited	
Recommendati	on Priorities	
Priority 1 (Fundamental)	1	
Priority 2 (Significant)	2	
Priority 3 (Housekeeping)	1	

Our audit considered the following risks relating to the area under review:

Policies & Procedures

- A risk management policy, with supporting procedures, is in place and available to officers and staff.
- Procedures are in place to ensure that risks are identified; assessed; recorded; and, appropriate risk owners are assigned.

Risk Registers

- The corporate risk registers are subject to regular review and are updated in a consistent manner.
- The service risk registers are subject to regular review and are updated in a consistent manner.
- There are clear links between corporate and service risk registers.

Risk Mitigation

- The methods for identifying and managing potential risk within the business areas are regularly reviewed, with consideration given to developing engagement at all levels.
- Risk mitigation actions are in place and there is evidence they are monitored to ensure tasks are completed within agreed timescales.

Reporting Arrangements

• Appropriate oversight and reporting arrangements, including between the Force and OPCC, are in place and are working effectively.

Follow Up - Training

• The recommendation raised in the previous review in relation to Risk Management Training has been implemented.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Risk Management system with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. We are only able to provide an overall assessment on those aspects of the Risk Management process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

We raised one Priority 1 (fundamental) recommendation and two Priority 2 (significant) recommendations and the detailed recommendation, finding and management response are provided below:

Recommendation
1 (Priority 1)
Finding

The Force should ensure that a thorough review is undertaken of the Force's departmental risk registers, so that risks that are inherent to the respective departments are identified and scored, as stated in the Risk Management Strategy.

The Force's Risk Management Strategy states: 'Risk management will not focus upon risk avoidance, but on the identification and management of an acceptable level of risk. It is the Force's aim to proactively identify, understand and manage the risks inherent in our services and associated with our plans, policies and

strategies, so as to support responsible, informed risk taking and as a consequence improve value for money.'

Additionally, audit noted that one of the objectives set out in the Strategy states that the Force will 'maintain strategic and operational risk registers which identify and rank all significant risks facing the Force, which will assist the Force in achieving its objectives through pro-active risk management.' Force to an unnecessary amount of risk.

Audit reviewed the Force's 19 departmental risk registers to confirm the registers identified and ranked the inherent risks to services, as stated in the risk management strategy. From the review undertaken, audit found that the Force has omitted inherent risks from the registers, which audit would expect to see in the registers.

An example of this approach can be seen in the Archive & Exhibits risk register, where audit noted that inherent risks relating to the loss of evidence and misplacing evidence have been omitted from the register.

Audit queried the omission of such risks with the Force's Corporate Development Manager and the Risk and Business Continuity Officer and were advised that the Force has adopted the approach where risks that are deemed emerging risks will be included in the risk register and therefore, inherent risks would not be included in the risk register.

Risk: Non-compliance with the Force's Risk Management Strategy.

The Force's current approach leaves the Force exposed to an unnecessary amount of risk

Response

Through the Risk and Organisational Learning Board, potential risks are identified and then work is undertaken to determine whether they should be included on an appropriate risk register.

Our strategy does not intend to record all inherent risks.

Strategy to be reviewed to ensure it aligns to our current approach.

Responsibility / Timescale

Corporate Development Manager

Sept 22

Recommendation 2 (Priority 2)

The Force should ensure that all risk registers are complete and that appropriate controls are recorded for each risk. Where risk controls are being reviewed, the Force should ensure that interim controls are in place to effectively monitor risks.

Audit reviewed the Force's 19 departmental risk registers to confirm the completeness of the registers. From the review undertaken, audit noted anomalies in the following risk registers:

- Contact Management audit found that there are no controls in place for the risk referenced CM0013.
- Fleet audit noted there are no control measures for the risk referenced FL0002; and
- Information Management audit noted there are no controls recorded for two risks: IM0007 & IM0008 respectively.

Audit queried the above anomalies with the Risk and Business Continuity Officer and was provided with explanations for each of the anomalies. However, audit advised the Risk and Business Continuity Officer that the Force should ensure that

Finding

	appropriate controls are in place for each risk to ensure the Force appropriately manages the risk the Force is exposed to.
	This was raised as a recommendation during the previous Risk Management review from May 2017.
	Furthermore, audit found that the Force has outsourced its procurement function to MINT. However, risks relating to MINT have not been recorded in the Finance risk register, at present. Audit was advised that risks relating to MINT will now be added to the Finance risk register.
	Risk: In the absence of controls, the Force cannot demonstrate an effective management of risks.
Response	It is noted that audit reviewed a total of 97 risks and found 4 errors. These errors are against a backdrop of introducing a brand-new risk management system into force.
110000000	But this is accepted and completion of risk registers forms part of ongoing monitoring.
Responsibility / Timescale	Completed

	The Force should ensure that further training is provided to users of the JCAD system to ensure that appropriate controls are recorded to mitigate the risks identified.
Recommendation 3 (Priority 2)	Furthermore, the Force should ensure that where controls and other risk mitigation activities are inserted that these are reviewed to ensure their appropriateness.
	The Force could consider introducing guidance for users of the JCAD system, which outlines a criterion for controls and risk mitigation activities
	Audit reviewed a sample of five risks from the departmental risk registers to confirm the controls / risk mitigation activities recorded are appropriate in responding to the risk and are being updated on JCAD, in line with the agreed timescales.
Finding	From the testing undertaken, audit found that two of the controls / risk mitigation activities recorded on JCAD are not effective in responding to the risk stated respectively. Rather, audit found that the controls currently recorded are more indicative of updates. These findings relate to the following two departmental risk registers and the risk references respectively:
	Archive & Exhibits – AE0003
	Intelligence – IN0004
	Risk: The controls in place are ineffective in managing identified risks.
	A plan for rolling out training had been put together and had begun to be rolled out. The delay in roll out had been attributed to Covid-19.
Response	I can also confirm that since the audit was undertaken training has been undertaken throughout the force.
Responsibility / Timescale	Completed

We also raised one recommendation of a more housing keeping nature (Priority 3) as detailed below:

Departmental Risk Registers are presented at the Organisational Risk, Learning, Standards
and Integrity Board for scrutiny. Audit noted that the meeting minutes from these board
meetings found no evidence to demonstrate the scrutiny undertaken on the risk registers and
decisions made in respect of them. Therefore, it was recommended that the Force should
ensure the meeting minutes accurately record the scrutiny undertaken.

Management agreed to consider implementing this recommendation.

Core Financials 21/22

Overall Assurance Opinion	Satisfactory
Recommendation	on Priorities
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	-

The objectives of our audit were to evaluate the adequacy and effectiveness of the Core Financial System with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. We are only able to provide an overall assessment on those aspects of the Risk Management process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

Based upon the scope and objectives we have provided a summary of the results of this audit, categorised into each area of the review undertaken. As these are reviewed on a cyclical basis audit have provided the previous Core Financial audit findings to show a comparison.

. Karana da karan	March 202	:1	November 2021		
Key control area	Assessment	Level of issue	Assessment	Level of issue	
General Ledger					
Journals	Control effective	No issues noted	Control effective	No issues noted	
Management Accounts	Control effective	No issues noted	Control effective	No issues noted	
Reconciliations	Control effective	No issues noted	Control effective	No issues noted	
Cash, Bank & Treasury	Management				
Receipts of Cash & Cheques	Control effective	No issues noted	Control effective	No issues noted	
Cash Flow	Control effective	No issues noted	Control effective	No issues noted	
Investments	Control effective	No issues noted	Control effective No issues note		
Borrowing	Control effective	No issues noted	Control effective	No issues noted	
Payments & Creditors					
New Suppliers	Control effective	No issues noted	Control effective	No issues noted	
Supplier Amendments	Control effective	No issues noted	Control effective	No issues noted	
Payments	Control effective	No issues noted	Control effective	No issues noted	

V	March 2021 Assessment Level of issue		November 2021		
Key control area			Assessment	Level of issue	
Goods / Service Receipts	Control effective	No issues noted	Control effective	No issues noted	
BACS Processing	Control effective	No issues noted	Control effective	No issues noted	
Income & Debtors					
New Debtors	Control effective	No issues noted	Control effective	No issues noted	
Invoices Raised	Control effective	No issues noted	Control effective	No issues noted	
Other Income Streams	Control effective	No issues noted	Control effective	No issues noted	
Credit Notes	Control effective	No issues noted	Control effective	No issues noted	
Debt Management	Not tested at t	this review	Control effective, except for	Significant issue	
Write Offs	Not tested at this review		Control effective	No issues noted	
Payroll					
Starters	Control effective	No issues noted	Control effective	No issues noted	
Leavers	Control effective	No issues noted	Control effective	No issues noted	
Variations	Control effective	No issues noted	Control effective	No issues noted	
Deductions	Control effective	No issues noted	Control effective	No issues noted	
Expenses	Control effective	No issues noted	Control effective	No issues noted	
Overtime	Control effective	No issues noted	Control effective	No issues noted	
Payroll Runs	Control effective	No issues noted	Control effective	No issues noted	
Other (Cross Cutting Themes)					
Policies, Procedures & Guidance	Control effective	No issues noted	Control effective	No issues noted	
System Access	Control effective	No issues noted	Control effective	No issues noted	
Fraud Prevention	Not tested at this review		Control effective	No issues noted	

We raised one priority 2 (significant) recommendation and the detailed recommendation, finding and management response are provided below:

	The Force should review all aged debts prior to the handover of the debt management process from MFSS.	
Recommendation 1 (Priority 2)	This review should ensure that all outstanding debts are being appropriately managed in line with the Force's debt management approach.	
	The Force should also liaise with MFSS to ensure that the debts identified through the audit are chased effectively and in a timely manner going forward.	
	Audit confirmed that MFSS are responsible for the sending of reminder letters (Dunning Letters) to debtors when invoices have not been paid and the subsequent further contact attempts. This information is then presented to the Force, who decide on the appropriate action to take for any further debt's recovery.	
	We reviewed a sample of 10 aged debts from January 2021 to ensure that Notts and MFSS are chasing debts effectively. We noted a number of issues:	
Finding	2 instances where the debt (due 20/04/2021 and 18/01/2021) had been communicated with the Force to chase further, however MFSS had not received a response surrounding further actions to be taken towards recovering the debt	
	• 5 instances where the debt had not been chased following the 2 nd Dunning Letter. This included there being no clear audit trail being maintained, no communication with the debtor via email or telephone within 7 days post receipt of the 2 nd Dunning Letter, as stated within the MFSS Debt Recovery Procedure and no response to a defaulted payment plan	
	Risk: The Force are not able to recover debts effectively and in a timely manner, leading to potential financial loss	
Response	The Force is bringing in some temporary resource in early February 2022 to purposely chase and recover our aged debt to get transactions in order and tick before we move away from MFSS and over to our new inhouse solution in Financials. This resource will continue through to July/August 2022. In the new system we have targeted a better timeline for sending out dunning letters than the process MFSS currently undertake but more importantly this will be backed with earlier and better communication with debtors to hopefully prevent the new to send the dunning letters wherever possible, something which doesn't current happen as not part of our structure under the MFSS arrangement.	
	Our access to reporting through Oracle and MFSS has been limited and our focus in the new financial system will be able to deliver informative reporting around aged debt and recovery through the Business Objects platform that we will be able to operate in and already through testing have far greater confidence in delivering this.	
Responsibility / Timescale	Completed with Ongoing Monitoring	

OPCC Charities Account 21/22

Overall Assurance Opinion Significant		
Recommendati	on Priorities	
Priority 1 (Fundamental)	-	
Priority 2 (Significant)	1	
Priority 3 (Housekeeping)	-	

Our audit considered the following risks relating to the area under review: Signed Grant Agreements

Grant agreements are signed by both parties prior to any funds being released.

Adequacy & Effectiveness of the Grant Agreement

• The Grant Agreements include a clear exception on the supplier that set out the information and evidence to be provided prior to payments being made.

Compliance with Grant Agreements

- No funds released to suppliers without adherence to the grant agreements.
- A robust review of the information provided takes place.
- Information is supplied to the OPCC in a timely manner as set out in the grant agreement.

Income & Debtors

• Where suppliers are failing to deliver on the expectations of the grant agreement these are escalated for appropriate management action.

The objectives of our audit were to evaluate the adequacy and effectiveness of the OPCC Charities Accounts systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the OPCC Charities Accounts process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

We identified no areas where there is scope for improvement within the existing control framework.

A4 Statement of Responsibility

We take responsibility to Nottinghamshire Police and the Office of the Police and Crime Commissioner for Nottinghamshire for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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A1 Definitions of Assurance

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of Nottinghamshire Police and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of Nottinghamshire Police and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.







01 Introduction

Mazars LLP are the appointed internal auditors to the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police. This report summarises the internal audit work undertaken by Mazars in 2020/21, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

Despite the restrictions imposed as a result of Covid-19, the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police retained a full scope internal audit service for 2020/21 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Opinion on the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police arrangements for risk management, control and governance.

As a result of the government restrictions from March 2020, we were unable to conduct internal audit engagements on site. We therefore undertook visits during 2020/21 remotely. In some cases, this has impacted on the scope of work undertaken. Detail of this has been provided where applicable in Section 02.

The report should be considered confidential to the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police and not provided to any third party without prior written permission by Mazars.

Scope and purpose of internal audit

The purpose of internal audit is to provide the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police, through the Joint Audit and Scrutiny Panel (JASP), with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police's statutory objectives and strategic aims.

Internal audit provides the Police and Crime Commissioner and Chief Constable, through the Joint Audit and Scrutiny Panel (JASP), with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Our work is conducted in accordance with Public Sector Internal Audit Standards (PSIAS).

The report summarises the internal audit activity and, therefore, does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to the JASP during the course of the year.

Performance against the Internal Audit Plan

The Plan for 2020/21 was considered and approved by the JASP on 2nd April 2020. In total the Plan was for 140 days, including 16 days of Audit Management. There was also provision for 8 contingency days included in the Plan, should these days be required.

The impact of the Covid-19 lockdown(s) has posed several challenges to the internal audit process and the move to remote auditing has caused some initial delays in setting dates when the audits will be carried out. Both parties have worked hard to ensure the audits could be completed and Mazars have regularly communicated with the Force and OPCC, which has enabled us to deliver the 20020/21 internal audit plan in a timely manner.

However, in a number of instances changes have had to be made to the internal audit plan that was agreed for 2020/21 and this resulted in the audit of Business Change not taking place during 2020/21. This audit has been deferred into the 2021/22 internal audit plan. Moreover, 3 of the 10 allocated Collaboration Audit days have also been deferred into the 2021/22 internal audit plan as only two of the three scheduled audits were able to take place.

The audit findings in respect of each of our finalised reviews, together with our recommendations for action and the management response, were set out in our detailed reports, which have been presented to the JASP over the course of the year. In addition, we have presented a summary of our reports and progress against the Plan within our Progress Reports to each JASP.

A summary of the reports we have issued is included in Appendix A1. The appendix also describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

Acknowledgements

We are grateful to all members of the JASP, the OPCC Chief Executive, the Chief Officers of both the Force and the OPCC and other staff throughout Nottinghamshire Police for the assistance provided to us during the year.



02 Audit Opinion

Scope of the Internal Audit Opinion

In giving our internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to Nottinghamshire is a reasonable assurance that there are no major weaknesses in governance, risk management and internal control processes.

The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at our opinion, we have taken the following matters into account:

- The results of all audits undertaken as part of the plan;
- Whether or not any 'Critical', 'Highly Important' or 'Significant' recommendations raised have not been accepted by Management and the consequent risks;
- The extent to which recommendations raised previously, and accepted, have been implemented;
- The effects of any material changes in Nottinghamshire's objectives or activities;
- Matters arising from previous reports to Nottinghamshire;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of Nottinghamshire; and
- The proportion of Nottinghamshire's internal audit needs have been covered to date.

Further detail on the definitions of our opinions raised in our reports can be found in Appendix A1.

Reliance Placed on Third Parties

Internal audit has not placed any reliance on third parties in order to assess the controls operated by OPCC for Nottinghamshire & Nottinghamshire Police. Our opinion solely relies on the work we have performed and the results of the controls testing we have undertaken.

COVID-19

During the year, we have consulted and informed management through regular liaison with the Force & OPCC CFO's and the Joint Audit & Scrutiny Panel(JASP) about changes to the plan and internal audit reviews to take account of the impact of Covid-19 on the organisation and the changing risk landscape. There was an impact on our ability to conduct a number of audits in the Plan over the period, as highlighted above.

During 2020/21, the Covid-19 pandemic impacted on the provision of internal audit services as follows:

- Our fieldwork testing and interviews were conducted remotely, specifically via video conferencing, screen sharing and email, with no onsite testing completed due to national restrictions.
- Our interaction with management and attendance at JASP has been via video conferencing, again due to national restriction; and
- Our ability to complete all audits in the original plan.

Internal Audit Opinion

On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is **Moderate** in its overall adequacy and effectiveness. This opinions is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk and management and control.

Certain weaknesses and exceptions were highlighted by our internal audit work, in particular no assurance opinion in regards to Seized Property and limited assurance opinions during the period in respect of Risk Management and IT Information Assurance.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as Priority 1 and Priority 2. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.



In reaching this opinion the following factors were taken into particular consideration:

Corporate Governance

In respect of Corporate Governance, while not directly assessed as part of the Plan, this was informed by consideration of this area through our individual assignments including where relevant. Governance is a consideration in all our audit engagements and we did not find any wholesale issues with governance across our audit plan.

Risk Management

In respect of Risk Management we have undertaken a Risk Management audit, which resulted in a limited assurance opinion as a fundamental recommendation was raised in regard to compliance with risk management strategy. Our opinion was also informed by consideration of risk management aspects through our individual assignments including reporting within our 'risk management' thematic as well as observing reports and discussion around the Force's and OPCC's Risk Management including the Risk Register at each JASP meeting.

During the course of delivering the 2020/21 audit programme, a key element of each audit scope was to evaluate the control environment and, in particular, how key risks were being managed. Aligned to the overall assurance opinion for the year some improvements are required to enhance the adequacy and effectiveness of the framework of risk management.

Internal Control

Of the 11 audits undertaken in the year where a formal assurance level was provided, 2 received a significant level of assurance and 7 audit received a satisfactory level of assurance. However, 1 audit received no assurance and 2 audits received a limited level of assurance. Whilst, overall more audits have received higher levels of assurance this year the issue of a no assurance report and the areas in which limited assurance have been provided this shows some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

We have made a total of 36 new recommendations during the year at the Force and OPCC, 5 recommendations were categorised as Priority 1, 18 as Priority 2 and 13 were Priority 3. A summary of the new Priority 1 and 2 recommendations from this year are included in Section 04 of this report.



03 Internal Audit Work Undertaken in 2020/21

The Internal Audit Plan was for a total of 140 days, with all reviews able to be completed. The audit findings in respect of each review, together with our recommendations for action and the management responses are set out in our detailed reports. In accordance with the approach set out within the internal audit plan, we undertook eleven specific audit reviews, supported by two IT audit reviews and two collaboration audit reviews. The results of this work (to date) are summarised below:

Ref	Audit area	Accumence level	Recommendations				Accordad	
Rei	Audit area	Assurance level	F	S	Н	Total	Accepted	Not Accepted
01.20/21	Workforce Planning	Satisfactory	-	1	1	2	2	-
02.20/21	Victims Code of Practice	Satisfactory	-	3	3	6	6	-
03.20/21	Estates Management	Significant	-	-	2	2	2	-
04.20/21	Wellbeing	Satisfactory	-	1	1	2	2	-
05.20/21	Debt Management	Satisfactory	-	1	1	2	2	-
06.20/21	Seized Property	No Assurance	3	4	1	8	8	-
	Seized Property – Operation Eliminate	Satisfactory						
07.20/21	Core Financials	Significant	-	-	-	-	-	-
08.20/21	Complaints Management	Satisfactory	-	4	2	6	6	-
09.20/21	Risk Management	Limited	1	2	1	4	4	-
10.20/21	IT: Information Assurance Follow Up	Limited	1	-	-	1	1	-
11.20/21	IT: GDPR Follow Up	Satisfactory	-	1	1	2	2	-
12.20/21	OPCC Supplier Review	N/A	-	1	-	1	1	-
	Total		5	18	13	36	36	-



04 Audits with Limited or Nil Assurance 2020/21

Three Priority 1 Recommendations: 1 - The Archives and Exhibits team at stores should reject acceptance of any items which do not have a property reference attached. A log should be maintained of instances where property has not been correctly labelled. Through use of this log, individuals responsible for the failures should be held accountable. 2 - The Force should regularly perform reconciliations of locations for property that is held against records maintained on the Niche system. Where it is identified that property is not in the location stated on Niche, Niche should be updated to reflect that it is in the Officers' possession. 3 - The Force should ensure that regular reconciliations of the safe are performed, to highlight any errors/missing items. In the instance where property cannot be located appropriate actions should be taken to identify its whereabouts. For items of a high value or risk, appropriate action should be taken to escalate the issue and ensure items are located in a timely manner. Four Priority 2 Recommendations: 4 - Policies and Procedures in relation to seized property should be updated to reflect the current adopted process since implementation of Niche in February 2016. Policies and Procedures should be made available for Staff and Officers to view on the intranet. 5 - Officers within the Force should be provided with Niche training in relation to the continuity of property management, including the checking in and out of property from temporary storage. Consideration should be made as to how to record the training attendance for all Officers. 6 - The Force should review and streamline the C17 form. Where a C17 form has not been completed correctly, this should be recorded and referred back to the Officer responsible. 7 - Access to the Temporary Stores should be restricted to only police officers or the Archive & Exhibit Team who require access. Those who do not have a job-related purpose should have their access to these areas removed. In the interim period, the Force should	Audit area	Assurance level	Summary of Key Findings
access for individuals entering the stores is available. This data could be analysed to show an inappropriate access.			Three Priority 1 Recommendations: 1 - The Archives and Exhibits team at stores should reject acceptance of any items which do not have a property reference attached. A log should be maintained of instances where property has not been correctly labelled. Through use of this log, individuals responsible for the failures should be held accountable. 2 - The Force should regularly perform reconciliations of locations for property that is held against records maintained on the Niche system. Where it is identified that property is not in the location stated on Niche, Niche should be updated to reflect that it is in the Officers' possession. 3 - The Force should ensure that regular reconciliations of the safe are performed, to highlight any errors/missing items. In the instance where property cannot be located appropriate actions should be taken to identify its whereabouts. For items of a high value or risk, appropriate action should be taken to escalate the issue and ensure items are located in a timely manner. Four Priority 2 Recommendations: 4 - Policies and Procedures in relation to seized property should be updated to reflect the current adopted process since implementation of Niche in February 2016. Policies and Procedures should be made available for Staff and Officers to view on the intranet. 5 - Officers within the Force should be provided with Niche training in relation to the continuity of property management, including the checking in and out of property from temporary storage. Consideration should be made as to how to record the training attendance for all Officers. 6 - The Force should review and streamline the C17 form. Where a C17 form has not been completed correctly, this should be recorded and referred back to the Officer responsible. 7 - Access to the Temporary Stores should be restricted to only police officers or the Archive & Exhibit Team who require access. Those who do



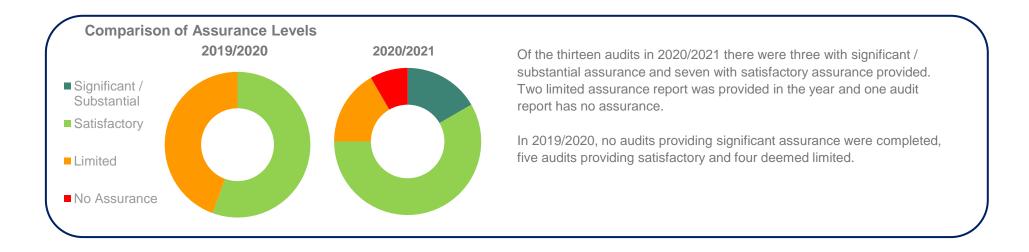
Audit area	Assurance level	Summary of Key Findings
Risk Management	Limited	Priority 1 Recommendation: The Force should ensure that a thorough review is undertaken of the Force's departmental risk registers, so that risks that are inherent to the respective departments are identified and scored, as stated in the Risk Management Strategy. Two Priority 2 Recommendations: 1 - The Force should ensure that all risk registers are complete and that appropriate controls are recorded for each risk. Where risk controls are being reviewed, the Force should ensure that interim controls are in place to effectively monitor risks. 2 - The Force should ensure that further training is provided to users of the JCAD system to ensure that appropriate controls are recorded to mitigate the risks identified. Furthermore, the Force should ensure that where controls and other risk mitigation activities are inserted that these are reviewed to ensure their appropriateness. The Force could consider introducing guidance for users of the JCAD system, which outlines a criterion for controls and risk mitigation activities
IT Information Assurance	Limited	Priority 1 Recommendation: As intended, the organisation must continue to liaise with National Police Information Risk Management Team (NPRIMT) in relation to the GIRR accreditation process. Now the force has more resource in place to manage the process the force should look in the longer term to return to an annual cycle of compliance rather than an ongoing pattern of late submissions for the variety of frameworks it is required to comply with

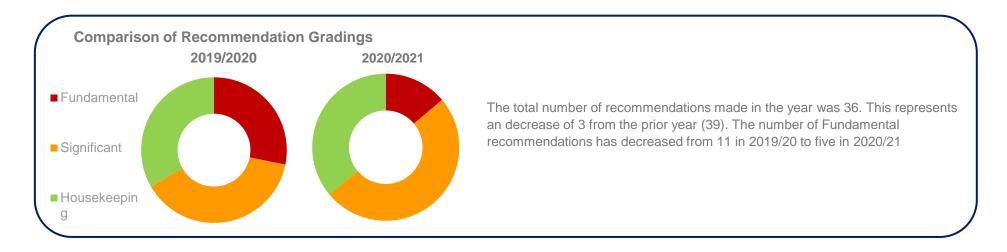
05 Internal Audit Plan 2020/21 vs Actual

Audit area	Planned days	Actual Days	Difference	Status
Workforce Planning	9	9	-	
Victims Code of Practice	8	8		
Estates Management	8	8		
Core Financials	27	27		
Seized Property	7	7		
Debt recovery	6	6		
Risk Management	8	8		
Wellbeing	8	8		
Complaints Management	7	7		
Business Change	8	-	8	Deferred into 21/22 Plan
IT Security: Follow Up	10	10		
GDPR: Follow Up	5	5		
Contingency	8	4	4	OPCC Supplier Review Added
Total	114	102	-	

05 Benchmarking

This section compares the Assurance Levels (where given) and categorisation of recommendations made at Nottinghamshire Police.





Performance of Internal Audit 06

We have provided some details below outlining our scorecard approach to our internal performance measures, which supports our overall annual opinion.

Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of the Force & OPFC at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.

In fulfilling our role, we abide by the three mandatory elements set out by the Institute of Internal Auditors. Namely, the Code of Ethics, the Definition of Internal Auditing and the Standards for the Professional Practice of Internal Auditing.



Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the Audit and Risk Committee. We have received positive feedback on our work from the Audit and Risk Committee and staff involved in the audits.

Regular planned discussions on progress against the Audit Plan have taken place with the Audit and Risk Committee.



Internal Audit Quality Assurance

In order to ensure the quality of the work we perform, we have a programme of quality measures which includes:

- Supervision of staff conducting audit work;
- Review of files of working papers and reports by Managers and
- Annual appraisal of audit staff and the development of personal development and training plans;
- Sector specific training for staff involved in the sector;
- Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and
- The maintenance of the firm's Internal Audit Manual.



Quality

Assurance

Appendices

A1 Definitions of Assurance





A1 Definitions of Assurance

Assurance Gradings

We use categories to classify our assurance over the processes we examine, and these are defined as follows:

Assurance level	Definition
Substantial	Our audit finds no significant weaknesses and we feel that overall risks are being effectively managed. The issues raised tend to be minor issues or areas for improvement within an adequate control framework.
Adequate	There is generally a sound control framework in place, but there are significant issues of compliance or efficiency or some specific gaps in the control framework which need to be addressed. Adequate assurance indicates that despite this, there is no indication that risks are crystallising at present.
Limited	Weaknesses in the system and/or application of controls are such that the system objectives are put at risk. Significant improvements are required to the control environment.

Recommendation Gradings

To assist management in using our reports, we categorise our recommendations according to their level of priority, as follows:

Recommendation Level	Definition
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.



Annual Opinion Gradings
We use categories to classify our assurance over the processes we examine, and these are defined as follows:

Assurance level	Definition
Significant	The framework of governance, risk management and control is adequate and effective.
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

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The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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Statement of Responsibility

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Police & Crime Commissioner for Nottinghamshire (OPCC) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. The Report was prepared solely for the use and benefit of the OPCC and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility on the final page of this report for further information about responsibilities, limitations and confidentiality.





01

Section 01:

Introduction



Introduction

An annual proposed Internal Audit Operational Plan has been prepared on behalf of the Police and Crime Commissioner for Nottinghamshire and Nottinghamshire Police (the OPCC and Force) for the period 1 April 2022 to 31 March 2023.

As part of fulfilling the Joint Audit & Scrutiny Panel's (JASP) responsibilities, the JASP require assurance that it is focusing its attention on the key risks to the OPCC and Force and that it is receiving timely and effective assurance with regards the management of those risks. As Internal Audit is a one source of this assurance, Internal Audit have reviewed the OPCC / Force Risk Register with the aim of identifying where the OPCC / Force obtains this assurance and that the Internal Audit plan is suitably focused and aligned with other sources of assurance. The results of this exercise were considered when drawing the audit plan.

The purpose of this document is to provide the JASP with the proposed 2022/23 Plan for consideration and approval.

In considering the document, JASP is asked to consider:

- · whether the balance is right in terms of coverage and focus;
- · whether we have captured key areas that would be expected; and
- whether there are any significant gaps.

We are also seeking approval from JASP for the Internal Audit Charter in Section 04, which we request on an annual basis. There are no changes from the Charter presented for approval last year.

Scope and Purpose of Internal Audit



IA's Role



IA Plan



Objective



Charter

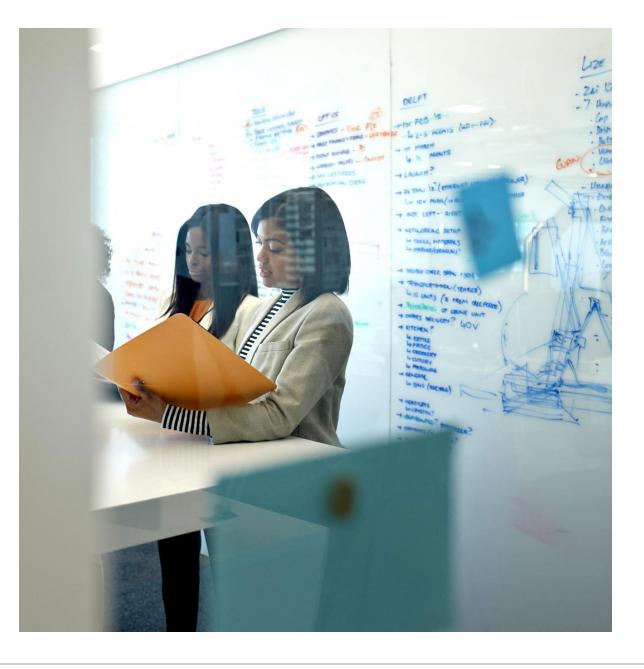
The purpose of internal audit is to provide the Commissioner and Chief Constable, through the JASP with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the the OPCC and Force's agreed objectives

Completion of the internal audits proposed in the 2022/23 Plan should be used to help inform the OPCC's and Force's Annual Governance Statement.

Government accounting standards require Accounting Officers to make provision for internal audit in accordance with accordance with UK Public Sector Internal Audit Standards (PSIAS), as produced by the Internal Audit Standards Advisory Board. Within the OPCC and Force, the Police & Crime Commissioner and the Chief Constable are the Accounting Officer and have responsibility for maintaining a sound system of internal control in the respective organisations.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit also has an independent and objective consultancy role to help line managers improve risk management, governance and control.

We have included our Internal Audit Charter in Section 04. The Charter sets out terms of reference and serves as a basis for the governance of the OPCC's and Force IA function, establishing our purpose, authority, responsibility, independence and scope, in accordance with the Chartered Institute of Internal Auditor's (IIA) standards.





Preparing the Operational Plan for 2022/23 & future considerations

As part of our approach, it is important we consider organisation's strategic priorities, as well as the key strategic risks identified, as we seek to align our risk-based approach accordingly.

In preparing the Strategy update we have undertaken the following:

- Met with the Deputy Chief Constable, the Chief Finance Office of the Force & OPCC and the Corporate Development Manager on 2nd February 2022;
- Reviewed the outcomes of historic internal audit work;
- Reviewed the outcomes of 2021/22 internal audit work;
- Considered the latest assessment of risks facing both the OPCC and the Force as detailed in their respective risk registers;
- Considered areas which are not necessarily high risk (such as core operational controls), but where the work of internal audit can provide a tangible input to assurance; and
- Considered the results of internal audit across our wider client base.

The proposed 2022/23 Plan is included in Section 02. This also includes a proposed high level scope for each review and which will be revisited as part of the detailed planning for each review. Fieldwork dates for each of the audits, including presentation of finalised reports at future dates for JASP meetings have been proposed for discussion and approval with the OPCC and Force's management.

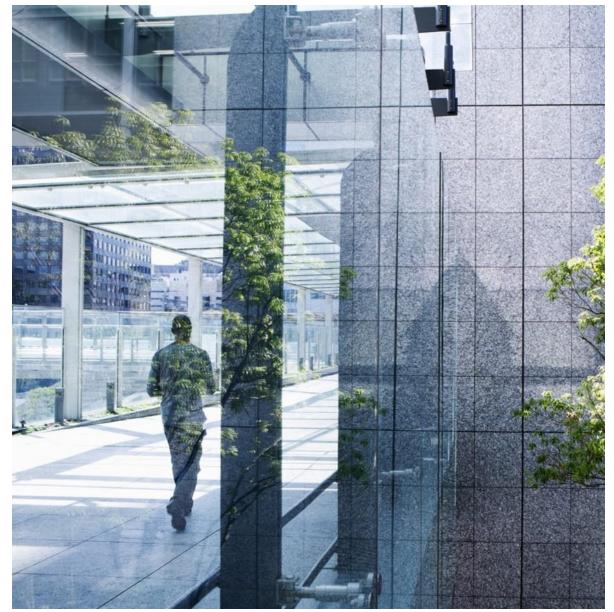
Preparing the Operational Plan for 2022/23 & future considerations (continued)

We have narrowed this list from a wider starting point, which will allow flexibility if there are changes required during the year; we have sought to prioritise against the key risks and for this reason, we can refer to the future considerations to discuss other potential internal audit areas for consideration within Section 02.

Prior to conducting each internal audit, we will undertake a more detailed planning meeting in order to discuss and agree the specific focus of each review. Following the planning meeting, we will produce Terms of Reference, which we will agree with key representatives at the Force and/or OPCC prior to commencement of the fieldwork.

The results of our work will be communicated via an exit meeting. A draft report will then be issued for review and management comments and in turn a final report issued. Final reports as well as progress against the plan will be reported to each JASP.

Following completion of the planned assignments and the end of the Financial Year, we will summarise the results of our work within an Annual Report, providing an opinion on the Fore and OPCC's governance, risk management and internal control framework.



02

Section 02:

Internal Audit Operational Plan 2022/23

Internal Audit Operational Plan 2022/23

An overview of the Internal Audit Operational Plan 2022/23 is set out below:

Proposed Summary Operational Plan for Approval				
Audit Area	Days OPCC/Force Sponsor Tai		Target Start Date	Target JASP
Risk Based Considerations				
Core Financials	30	Chief Finance Officers (Force & OPCC)	Q3	Nov 22
Risk Management	8	Chief Finance Officers (Force & OPCC) / Deputy Chief Constable	Q4	Apr 23
Medium Term Financial Planning	8	Chief Finance Officers (Force & OPCC)	Q2	Sept 22
Fleet Management / Transport	10	Chief Finance Officer (Force)	Q4	Apr 23
Business Continuity	8	Deputy Chief Constable / Chief Executive OPCC	Q3	Nov 22
Environmental Management	10	Deputy Chief Constable	Q3	Nov 22
Custody	8	Deputy Chief Constable	Q1	Jul 22
Asset Management	8	Deputy Chief Constable	Q1	Jul 22
Seized Property	8	Deputy Chief Constable	Q4	Apr 23
MINT	5	Deputy Chief Constable	Q1	Jul 22
Information Technology				
Cyber Security	10	Deputy Chief Constable	Q2/Q3	Nov 22
Management and Reporting Activities				
Collaboration*	12	Chief Finance Officers (Force & OPCC)	Ongoing	Ongoing
Management	17	Chief Finance Officers (Force & OPCC) As requested As		N/A
Contingency	8			As requested
Total	150			

Internal Audit Operational Plan 2022/23

The rationale behind the inclusion of each of the areas identified within the Internal Audit Operational Plan 2022/23 is detailed below, alongside a indicative high-level scope. Please note that the detailed scope of each audit will be discussed and agreed with the relevant sponsor prior to the commencement of fieldwork.

Core Financials

To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the core financial systems. The scope of the work will include, but not be limited to:

- Policies and procedures
- Access controls
- Amendments to standing data
- Reconciliations
- Authorisation routines
- Reporting

The aim is to complete this audit around six months into the Forces usage of a new financial system.

Seized Property

Audits were carried out in 2017/18, 2018/19 and 2020/2021 following which 'limited assurance' opinions were give. The audit will provide assurance that the Force has effective controls in place for the receipting, storage, management and disposal of seized and found property and it will follow up on previous recommendations raised.

MINT

To provide assurance with regards to the project being undertaken to close down the MINT service.

Risk Management

A cyclical audit is undertaken to provide assurance that the Force and OPCC have robust systems in place for the effective management of strategic and operational risks facing the organisation.

Medium Term Financial Planning

A high risk on the Force risk register as financial pressures are being faced across the public sector. The audit will review the MTFP approach and the existing MTFP to provide assurance that effective plans are in place.



Internal Audit Operational Plan 2022/23 (Continued)

Fleet Management / Transport

A review of the new structure in place for delivering fleet management is due this year. The audit will review the control environment in place to provide assurance on the adequacy and effectiveness of controls.

Environmental Management

Mazars Environmental Risk specialists will provide support in the scoping of this review, however it is envisaged it will be a cross cutting piece of work reviewing controls in place across a number of areas in regards to environmental factors.

Asset Management

Whilst the exact scope of review will be agreed with management the focus will be on providing assurance over the the security, location and tracking of assets

Business Continuity

Audit last completed a review of business continuity in 2019-20 and given the impacts of the pandemic it would be timely to review this area.

Custody

The Force continues to work on a detailed action plan in response to previous HMICFRS inspections and the audit will review the plan and provide assurance over the progress being made.

Cyber Security

This audit will be carried out by IT specialists to review the controls in place regarding cyber security. As the Force rely on IT systems this is a high risk area.



Internal Audit Operational Plan 2021/22 (Continued)

Collaboration

Resources have been allocated across each OPCC / Force in order to provide assurance with regards the systems and controls in place to deliver specific elements of regional collaboration. The intention would be to carry out audit reviews across the region.

Consideration will be given to assessing whether the area of collaboration is delivering against its original objectives and what arrangements are in place, from an OPCC / Force perspective, for monitoring and managing the service.

A detailed 22/23 Collaboration Audit plan will be drafted and shared with the JASP once agreed by the regional CFO's. It should be noted the audit of EMSOT deferred from the 21/22 plan will be included.

Management

Resources for client and external audit liaison.

For example, preparation and attendance at JASP, strategic and operational planning, meetings with Force Chief Officer Team/Chair of JASP, preparation of the Internal Audit Opinion, Annual Internal Audit Plan and other reports to the JASP, etc

Continency

Resources which will only be utilised should the need arise, for example, for unplanned and ad-hoc work requests by management and the JASP.

03

Section 03:

Future Considerations 2022/23 Onwards

Future Considerations 2023/243 Onwards

Audit discussed a wide range of possible audits for inclusion within the 2022/23 and through discussion with management agreed upon a priority based approach the audits that are presented in the 2022/23 Internal Audit Operational Plan. Whilst annually the plan will be reviewed audit have listed the audits that have been earmarked for future consideration:

Future Considerations			
Auditable Area	Commentary		
Governance	Given the change of Commissioner and establishment of new structures it would be timely to perform this cyclical review.		
Archives Management	Linked to Risks SR4 and SR5 on Force Strategic Risk Register. Document Retention and handling information remains high risks.		
Organisational Learning	A number of major projects have been completed at the Force recently and therefore it would be timely to ensure learning has been taken forward for each of these projects completed.		
Counter Fraud	Whilst elements are covered across the existing audit plan it would be prudent to consider the need for a focused review on the controls in place for counter fraud.		
Workforce Planning	Following the implementation of new HR systems it would be timely to provide assurance that these are being used effectively for workforce planning.		
OPCC Commissioning	Given the widening range of activities this would provide assurance that key controls are embedded within the commissioning process		
IT Strategy	To ensure the Force has appropriate and adequate strategies in place for delivering changing and new IT systems.		

04

Section 04:

Internal Audit Charter

Internal Audit Charter

The Internal Audit Charter sets out the terms of reference and serves as a basis for the governance of the OPCC & Force Internal Audit function. It sets out the purpose, authority and responsibility of the function in accordance with the UK Public Sector Internal Audit Standards (PSIAS).

The Charter will be reviewed and updated annually by the Engagement Lead for Internal Audit for the OPCC & Force ('Head of Internal Audit').

Nature and Purpose

The OPCC & Force are responsible for the development of a risk management framework overseen by the JASP, which includes:

- Identification of the significant risks in the OPCC and Force's programme of activity and allocation of a risk owner to each;
- An assessment of how well the significant risks are being managed; and
- Regular reviews by the Senior/Executive Team and the JASP of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the risk profile.

A system of internal control is one of the primary means of managing risk and consequently the evaluation of its effectiveness is central to Internal Audit's responsibilities.

The OPCC and Force's systems of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support each organisation's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable each organisation to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the Senior/Executive Team. The OPCC and Force needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the OPCC and Force's business. There are also many assurance providers. The OPCC and Force should, therefore, develop and maintain an assurance framework which sets out the sources of assurance to meet the assurance needs of its stakeholders.

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework (IPPF) as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'

Internal Audit carries out assurance and consulting activities across all aspects of the OPCC and Force's business, based on a programme agreed with the JASP, and coordinates these activities via the assurance framework. In doing so, Internal Audit works closely with risk owners, and the Senior/Executive Team.

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the OPCC and Force's existing processes and procedures can be developed to improve the extent with which risks in these areas are managed; and public money is safeguarded and used economically, efficiently and effectively. In carrying out its work, Internal Audit liaises closely with the Senior/Executive Team and management in relevant departments. The independent assurance provided by Internal Audit also assists the OPCC and Force to report annually on the effectiveness of the system of internal control included in the Annual Governance Statements.

Authority and Access to Records, Assets and Personnel

Internal Audit has unrestricted right of access to all OPCC and Force records and information, both manual and computerised, and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter business property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Any restriction (management or other) on the scope of Internal Audit's activities will be reported to the JASP.

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in the course of its duties and execution of its responsibilities. Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, and which external audit would need to discharge their responsibilities.

Responsibility

The Head of Internal Audit is required to provide an annual opinion to the OPCC and Force, through the JASP, on the adequacy and the effectiveness of the OPCC and Force's risk management, control and governance processes. In order to achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers as needed (such as the
 external auditors) such that the assurance needs of OPCC, Force and other stakeholders are
 met in the most effective way.
- Evaluate and assess the implications of new or changing systems, products, services operations and control processes.



Internal Audit Charter continued

- Carry out assurance and consulting activities across all aspects of the OPCC and Force's business based on a risk-based plan agreed with the JASP.
- Provide the Board with reasonable, but not absolute, assurance as to the adequacy and
 effectiveness of the key controls associated with the management of risk in the area being
 audited.
- Issue periodic reports to the JASP and the Senior/Executive Team summarising results of assurance activities.
- Promote an anti-fraud, anti-bribery and anti-corruption culture within OPCC & Force to aid the prevention and detection of fraud;
- Assist in the investigation of allegations of fraud, bribery and corruption within OPCC 8
 Force and notifying management and the JASP of the results.
- Assess the adequacy of remedial action to address significant risk and control issues
 reported to the JASP. Responsibility for remedial action in response to audit findings rests
 with line management.

There are inherent limitations in any system of internal control and thus errors or irregularities may occur and not be detected by Internal Audit's work.

When carrying out its work, Internal Audit will provide line management with comments and report breakdowns, failures or weaknesses of internal control systems together with recommendations for remedial action. However, Internal Audit cannot absolve line management of responsibility for internal controls.

Internal Audit will support line managers in determining measures to remedy deficiencies in risk management, control and governance processes and compliance to the OPCC and Force's policies and standards and will monitor whether such measures are implemented on a timely basis

The JASP is responsible for ensuring that Internal Audit is adequately resourced and afforded a sufficiently high standing within the organisation, necessary for its effectiveness.

Scope of Activities

As highlighted in the previous section, there are inherent limitations in any system of internal control. Internal Audit therefore provides the Senior/Executive Team and the Board through the JASP with reasonable, but not absolute, assurance as to the adequacy and effectiveness of

OPCC & Force governance, risk management and control processes using a systematic and discipline approach by:

- Assessing and making appropriate recommendations for improving the governance processes promoting appropriate ethics and values, and ensuring effective performance management and accountability:
- Evaluating the effectiveness and contributing to the improvement of risk management processes; and
- Assisting OPCC & Force in maintaining effective controls by evaluating their adequacy effectiveness and efficiency and by promoting continuous improvement.

The scope of Internal Audit's value adding activities includes evaluating risk exposures relating to OPCC & Force's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives:
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

Reporting

For each engagement, Internal Audit will issue a report to the appropriate senior management and business risk owner, and depending on the nature of the engagement and as agreed in the engagement's Terms of Reference, with a summary to the Senior/Executive Team and the JASP The UK PSIAS require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:

- The annual risk-based plan is compiled by the Head of Internal Audit taking account of the OPCC and Force's risk management / assurance framework and after input from members of the Senior/Executive Team. It is then presented to the Senior/Executive Team and JASP annually for comment and approval.
- The internal audit budget is reported to the JASP for approval annually as part of the overall budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Internal Audit) and the independence of internal audit will be reported annually to the JASP.



Internal Audit Charter continued

- Performance against the annual risk-based plan and any significant risk exposures and breakdowns, failures or weaknesses of internal control systems arising from internal audit work are reported to the Senior/Executive Team and JASP on a regular basis.
- Any significant consulting activity not already included in the risk-based plan and which
 might affect the level of assurance work undertaken will be reported to the JASP.
- Any significant instances of non-conformance with the Public Sector Internal Audit Standards will be reported to the Senior/Executive Team and the JASP and will be included in the Internal Audit Annual Report.

Independence

The Head of Internal Audit has free and unfettered access to the following:

- Chief Officer Team
- Chief Finance Officers at the OPCC and Force:
- Chair of the JASP; and
- Any other member of the Senior/Executive Team.

The independence of the contracted Head of Internal Audit is further safeguarded as their annual appraisal is not inappropriately influenced by those subject to internal audit.

To ensure that auditor objectivity is not impaired and that any potential conflicts of interest are appropriately managed, all internal audit staff are required to make an annual personal independence responsibilities declaration via the tailored 'My Compliance Responsibilities' portal which includes personal deadlines for:

- Annual Returns (a regulatory obligation regarding independence, fit and proper status and other matters which everyone in Mazars must complete);
- Personal Connections (the system for recording the interests in securities and collective investment vehicles held by partners, directors and managers, and their immediate family members); and
- · Continuing Professional Development (CPD).

Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. However, any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the JASP. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for a period of at least 12 months.

External Auditors

The external auditors fulfil a statutory duty. Effective collaboration between Internal Audit and the external auditors will help ensure effective and efficient audit coverage and resolution of issues of mutual concern. Internal Audit will follow up the implementation of internal control issues raised by external audit if requested to do so by the OPCC and Force.

Internal Audit and external audit will meet periodically to:

- Plan the respective internal and external audits and discuss potential issues arising from the external audit; and
- Share the results of significant issues arising from audit work.

Due Professional Care

The Internal Audit function is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK PSIAS: and
- · All relevant legislation.

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK PSIAS, on-going performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.

A programme of CPD is maintained for all staff working on internal audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies to deliver the risk-based plan. Both the Head of Internal Audit and the Engagement Manager are required to hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

Performance Measures

In seeking to establish a service which is continually improving, we acknowledge it is essential that we agree measures by which Internal Audit should demonstrate both that it is meeting the OPCC and Force's requirements and that it is improving on an annual basis. We will work to the measures outlined in the original Invitation to Tender, whilst we agree performance measures with the OPCC and Force.



Contacts

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Mark Lunn Manager, Mazars mark.lunn@mazars.co.uk

We take responsibility to the Office of the Police & Crime Commissioner for Nottinghamshire for this report, which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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For Information and Decision		
Public/Non Public*	Public	
Report to:	Police & Crime Panel	
	Audit and Scrutiny Panel – for information	
Date of Meeting:	28 th February 2022	
Report of:	Joint Chief Finance Officer	
Other Contacts:	Head of Finance	
Agenda Item:	11	

Precept and Budget Reports 2022-23

1. Purpose of the Report

- 1.1 Members are required to make a decision in respect of the Precept Report and the proposed increase to Council Tax for 2022-23.
- 1.2 To assist in this decision-making members are provided with budget reports and financial strategies that provide detail on the use of such funding.

2. Recommendations

- 2.1 Members are requested to support the proposed increase in Band D Council Tax by £9.99 to £254.25.
- 2.2 Members are also asked to provide feedback, where appropriate, in respect of the proposed budget and financial strategies.

3. Reasons for Recommendations

3.1 Statutory requirement and good financial governance.

4. Summary of Key Points

- 4.1 In providing the provisional settlement for Policing, the Policing Minister has assumed that Police & Crime Commissioners will take advantage of precept flexibility.
- 4.2 The continued precept freedoms allow a balanced budget to be set with all increases for inflation and pay awards being met. Additional Police Grant has been received for the Uplift in Police Officer numbers required.
- 4.3 The Minister also requires further efficiencies to be met in 2022-23 and these have been set nationally at £100m. These have been accounted for in the grant settlement.

- 4.4 The other reports provided for information are:
 - Revenue Budget Report 2022-23
 - Capital Programme 2022-27
 - Financial Strategy 2022-27
 - Capital Strategy 2022-27
 - Treasury Management Strategy 2022-27
 - Reserves Strategy 2022-27
- 4.5 The Financial Strategy provides the latest prediction for balancing the budget over the next five years.
- 4.6 The Reserves Strategy shows that the increase in reserves recently will be utilised to meet significant capital expenditure plans over the medium term.
- 4.7 The Revenue budget is a balanced budget report. This report provides additional police officers to communities across the City and County.
- 4.8 The Capital Programme provides detail on proposals for 2022-23, with specific plans relating to buildings and ensuring they are fit for purpose. An indicative capital programme to 2022-27 is also provided. But the schemes are subject to full business cases being approved.
- 4.9 The Capital Strategy shows how we consider the long term, even life cycle of our most significant assets. This brings together stock condition surveys, asset management plans and the need for continued investment in assets to provide for future needs.
- 4.10 The Treasury Management Strategy provides detail on how the proposed capital programme will be financed.

5. Financial Implications and Budget Provision

5.1 Each of the reports sets out the budgetary and financing requirements over the next year and medium term.

6. Human Resources Implications

6.1 The budget report provides for the recruitment of additional Police Officers.

7. Equality Implications

7.1 None as a direct result of these reports.

8. Risk Management

8.1 These reports set out clear principles to limit any financial or operational risks related to the budget, including risks that relate to the future financial resilience of the service balanced against service demands, over the next five years. The robustness of the estimates has been considered in the report and the CFO considers that these are satisfactory.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This complies with statutory reporting and decision-making requirements. These reports also provide evidence of good financial governance.

10. Changes in Legislation or other Legal Considerations

10.1 These reports comply with financial legislation, and fulfil the requirements of S26 and Sch 5 2 Police Reform and Social Responsibility Act 2011.

11. Details of outcome of consultation

11.1 The details on the consultation with the public on the precept has been included within the Precept Report.

12. Appendices

- A Precept Report
- B Revenue Budget Report 2022-23
- C Capital Programme 2022-27
- D Financial Strategy 2022-27
- E Capital Strategy 2022-27
- F Treasury Management Strategy 2022-27
- G Reserves Strategy 2022-27



Precept 2022-23

January 2022

The Police & Crime Commissioner's

Precept 2022-23

Letter from the Minister

In announcing the Provisional Settlement figures for Police Grant the Minister has made the following comments:

- Funding nationally for Policing will increase by £769m in the form of grant for the uplift in police officer numbers and increased council tax freedoms.
- Core Police Grant will increase to reflect the number of officers recruited for Uplift.
- Precept freedoms allow for a £10 increase on Band D properties, raising £288m nationally if all Commissioners take this up.
- Funding of the Uplift of 8,000 officers by March 2023 will continue to be provided through core grant and specific grant based on performance.
- Continued support to cover the increase in pension costs.
- Continued support for National programmes such as ESN and NLEDs.
- £100m efficiency savings across the sector.

Introduction

Considering the assumptions and opportunity made available by the Minister the Nottinghamshire Police & Crime Commissioner is proposing a precept increase of £9.99 for the 2022-23 financial year.

This increase in the precept supports the budget report and Commissioners commitment to increase in police officer numbers in our neighborhoods. The priorities of the revised Police and Crime Plan - the 'Make Notts Safe Plan', are fully reflected in our spending plans and include:

- Serious violence and knife crime
- Violence against women and girls
- Neighborhood crimes, including burglary, vehicle crime robbery and rural crime
- Other high harm offences, such as slavery, exploitation, and abuse

The Commissioner also supports Victims Services through formal contracts and grants with the third sector, these are seen has having growing importance and additional funding for their activities has been provided for.

This budget supports fully the Police & Crime Plan for 2022-23.

Government Assumptions

In November the spending review announcement provided more detail than usual as to what could be expected in the December settlement. It was announced that there would be further precept freedoms of up to £10 on a Band D property for the next 3 years, along with increased certainty regarding overall grant levels. The Government intention for this was to ensure adequate resources to deliver the national uplift programme, fund employers national insurance increases and provide for a pay award.

In providing the provisional grant settlement figure in December the Government has made certain assumptions in relation to the total funding available for Policing.

Firstly, it provides additional resource to the main police grant for the Uplift of officers by 20,000. This increase is in the core police grant and is therefore likely to continue in future years, although an element is based on achieving recruitment numbers set by the Home Office (Specific Grant). The planning assumption if for an additional 8,000 officers to be recruited in 2022-23.

Secondly, the £10 precept freedom indicated is for three years ahead of the next CSR and funding formula review. The Home Office have commented that it expects any future funding gap, from inflationary pressures, to be resourced from continued precept freedoms. Further detail on what impact this will have in Nottinghamshire is provided in the Medium Term Financial Strategy.

The additional Treasury Grant for the remainder of the pensions funding gap continues for 2022-23; as does the Home Office additional grant for Pensions. The immediate costs of the McCloud pension remedy will be met by the Treasury.

Future outlook

We are in unprecedented times all of which have a major impact on the Government funding available for the public sector. It is reassuring to hear that Policing remains priority, but this is alongside the NHS, the cost and repayment in relation to COVID and the cost of BREXIT.

The Government remains committed to being able to balance the budget and reduce borrowing. But the increased borrowing for COVID against an economy that is still in a recovery period means that the repayment period for borrowing is likely to be long term.

In recent years the Home Office has relied on Police and Crime Commissioners to take advantage of Council Tax freedoms and set above inflation increases to cover some of the inflationary costs no longer provided for within the Policing Grant. However, the impact of COVID could still have impact on Council Tax collection funds.

However there is now signs of recovery and a surplus on collection is estimated for 2022-23.

The impact on the Council Tax Base, which last year saw the base increase by only 0.25%, looks also to be in recovery with this year's increase of 1.92% more in line with the expected upwards trend.

The Government is also keen to ensure that it reaches its target of an additional 20,000 Police Officers by 2023. But there were worries that if this came without support for funding of future pay awards, inflation, pension increases and adequate funding for the major ICT programmes such as ESN; then all that happens is that officers end up in non- policing roles, the 3 year funding announcement helps reduce those fears.

During the medium term there will be revaluations of the Police Pension Scheme and the LGPS Scheme. It is envisaged that both will have further impacts on the employers rate and therefore the funding available. However the cost of the McCloud case being implemented will be met by the Treasury.

A further impact is the cost of the national ICT programmes such as ESN and NLEDs. These programmes are over budget and delayed significantly, placing challenges on Force budgets, particularly in the cost of retaining older systems for longer.

Supporting Reports

The Budget Report and the Medium Term Financial Strategy Report on today's agenda details further the plans for 2022-23 and beyond.

The detailed budget for 2022-23, the Medium Term Financial Strategy, the Reserves Strategy, the 4 Year Capital Programme, the Capital Strategy and the Treasury Management Strategy are provided for information purposes to the Police & Crime Panel. These have been drawn together to support the Police & Crime Plan, which has been refreshed and which is currently out for consultation.

This report is based upon declared information provided by the Billing Authorities.

Process

When setting the budget and capital programme for the forthcoming financial year the Police & Crime Commissioner must be satisfied that adequate consideration has been given to the following:

- The Government policy on police spending the impact of Brexit is uncertain. The Treasury continues to focus on the NHS and its funding requirements. The grants provided to policing for 2022-23 provide for the additional police officers promised by the Prime Minister and ensure a stable financial position and is also predicated on maximum use of precept flexibility.
- The medium-term implications of the budget and capital programme the separate report sets out the Medium-Term Financial Strategy, which is
 regularly reviewed and updated. This is now a key indicator of financial
 sustainability.
- The CIPFA Prudential Code the separate Treasury Management Strategy report covers the CIPFA Prudential Code, which evaluates whether the capital programme and its revenue implications are prudent, affordable and sustainable. The implications of borrowing to finance the unsupported element of the capital programme are incorporated within the proposed revenue Budget for 2022-23 and the Medium-Term Financial Strategy.
- The size and adequacy of general and specific earmarked reserves the current forecast of the general reserves at 31 March 2023 is £7 million. This is higher than the minimum 2% level in the approved reserves strategy and is considered by the Chief Finance Officer to be an adequate level for the year ahead. This is lower than the 5% guideline set by the Home Office. The Chief Finance Officer considers that all of the earmarked assets set out in the Reserves Strategy remain a risk and continues to monitor them and their planned usage. This will continue into the medium term.
- Whether the proposal represents a balanced budget for the year the
 assurances about the robustness of the estimates are covered in Section
 7 of this report. The proposals within this report do represent a balanced
 budget based upon an assumed £9.99 increase in the Police & Crime
 Precept on the Council Tax Band D.
- The impact on Council Tax this is covered in Section 6 of this report.
- The risk of referendum the limit set for requiring a referendum is a £10 increase on the precept for all Police & Crime Commissioners. The proposed increase of £9.99 is below the level that would require a referendum, (further details provided in **Section 5**).

1. COUNCIL TAX BASE

For 2022-23 the Billing Authorities continue with the local Council Tax Support Schemes introduced in 2013-14. The impact of COVID has affected current collection rates by significantly reducing them and is a factor in the setting of the tax base for the next year. In addition to this the Billing Authorities have considered the unemployment and benefits demographics and the likelihood of further non-collection when setting the tax base for 2022-23.

The Billing Authorities have therefore estimated an increase of 1.92% comparable to the normal level of expected increase, compared to last years subdued increase of 0.25%.

Tax base	Band D Properties 2021-22 No	Band D Properties 2022-23 No	Change %
Ashfield	33,731.70	34,052.70	0.95
Bassetlaw	35,771.49	36,396.81	1.75
Broxtowe	34,217.46	34,530.00	0.91
Gedling	37,389.96	37,776.42	1.03
Mansfield	29,512.20	30,557.30	3.54
Newark & Sherwood	40,002.05	41,205.00	3.00
Nottingham City	66,396.00	67,540.00	1.72
Rushcliffe	44,259.60	45,387.60	2.55
Total	321,280.46	327,445.83	1.92

2. <u>COLLECTION FUND POSITION</u>

Each billing authority uses a Collection Fund to manage the collection of the Council Tax, for 2022-23 the overall surplus totals £0.830m after the spreading adjustment. A breakdown is provided in the table below:

	Collection	n Fund
Surplus/(deficit)	2021-22 £	2022-23 £
Ashfield	(63,442)	48,039.00
Bassetlaw	(36,526)	35,746.00
Broxtowe	(51,430)	25,973.00
Gedling	(58,076)	0.00
Mansfield	135,000.64	284,274.51
Newark & Sherwood	380,521.00	267,321.40
Nottingham City	(122,285)	220,294.00
Rushcliffe	(49,231)	(51,762)
Total	134,531.64	829,885.91

The deficits declared above will form part of the core funding available.

3. GRANTS

The main Police Grant has remained the same for several years and has recently been increased by the funding for Uplift Officers recruited. The £100m efficiency target has also been netted in the core grant, the total core grant now stands at £163.2m.

Council Tax Legacy Grant is received by Commissioners for each Policing area. There is no change in the Legacy Grant for 2022-23 at £9.7m. This grant will be considered as part of the Funding Formula Review.

As part of the Uplift programme for 20,000 additional officers nationally, it is anticipated that a core element of this grant will transfer into the main Police Grant. This is included in the £163.2m above.

Together the main Police Grant (including any transferred Uplift Grant) and the Legacy Grant form the core funding for Nottinghamshire Policing.

In addition to core funding there are specific grants which fund specificelements of expenditure. The main ones of these include initial Uplift Grant, Uplift Performance Grant and Pension Grants. Where appropriate these are netted against Police expenditure.

The Commissioner also receives specific funding from the Ministry of Justice which is netted against expenditure for Victims. This funding has many facets and covers areas such as Domestic Violence, Rape Support, COVID support, ISVA funding and Sexual Violence funding.

Pension Grant (specific grant) for the impact of the McCloud case and last revaluation will continue to be funded at existing levels.

4. **CONSULTATION**

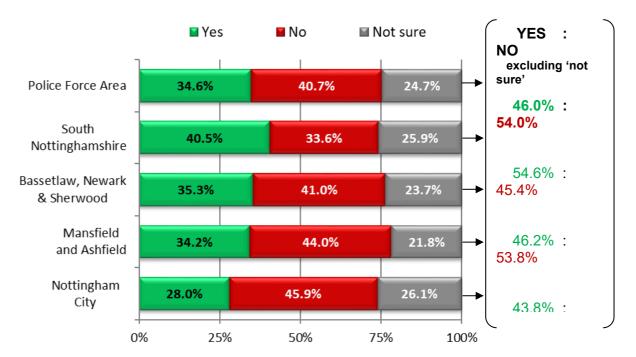
- 4.1 The Nottinghamshire Police and Crime Commissioner (PCC) has a statutory duty under the Police Reform and Social Responsibility Act 2011 to obtain the views of local people and ratepayers' on budget and precept proposals and to consult and engage with local people on policing and in setting police and crime objectives.
- 4.2 In fulfilling these requirements, the Commissioner maintains a rolling programme of social research which is designed to obtain both a robust and representative sample of views from residents across Nottinghamshire, and more detailed qualitative insight from a diverse sample of informed residents in each Community Safety Partnership area.

- 4.3 The Nottinghamshire Police and Crime Survey obtained a robust and representative sample of views on the precept for policing from 4,311 residents across Nottinghamshire during 2021. Sampling points for the survey were set at Lower Super Output Area level to ensure good geographical coverage, with the sample being representative of the local population by age, gender, ethnicity, employment status and deprivation. The survey provided a margin of error of +/-3% at the 95% confidence level.
- 4.4 Survey respondents were asked the following question: Households in Nottinghamshire pay on average £244 per year towards policing as part of their Council Tax (Band D properties). To what extent would you be prepared to pay more?
 - Yes I'm prepared to pay up to an additional £5 per year (42p per month) for policing
 - Yes I'm prepared to pay up to an additional £10 per year (£83p per month) for policing
 - Yes I'm prepared to pay up to an additional £12 per year (£1 per month) for policing¹
 - Yes I'm prepared to pay up to an additional £24 per year (£2 per month) for policing.
 - No I'm not prepared to pay more I already pay enough / cannot afford to
 - No I'm not be prepared to pay more the police don't need it / would not use it wisely
 - ➤ I Don't know I need more information
- 4.5 The proportion of respondents that did not support an increase in the precept for policing increased by 2.8% points in 2021 to 40.7%, and continuing the rising trend seen since June 2019. This exceeded the proportion that did support an increase in the precept for policing (34.6%), with the difference being statistically significant at force level.
- 4.6 The survey also found, however, that almost a quarter (24.7%) of respondents stated that they did not know whether they supported an increase and required more information in order to decide. This represents a statistically significant increase on levels recorded in 2018 (21.7%) but no significant change on the previous year (25.5%). Excluding those that did not know, support for an increase in the precept for policing remains strongest in the South Nottinghamshire community safety partnership area (54.6%) and weakest in Nottingham City (37.9%).

¹ Options of up to £12 and £24 are included on account of flexibility previously afforded, however it is recognised that any increase in excess of the £10 in 2022 would require a referendum costing an estimated £1m. The December 2021 settlement announced precept flexibility of up to £10 on a Band D property for 2022/23, 2023/24 and 2024/25, providing a greater degree of certainty. This will be reflected in options listed as part of the ongoing Police and Crime Survey consultation process.

Figure 1: On average, households in Nottinghamshire pay £244 a year towards policing as part of their Council Tax. To what extent would you be prepared to pay more?

Responses by Community Safety Partnership area



- 4.7 Of the 40.7% of respondents that did not support an increase in the precept, the vast majority (83.3%) cited personal economic circumstances as the reason. This is comparable to the proportion recorded in 2020 (82.5%). The proportion of respondents feeling that the police did not need additional funding or would not use it wisely also remained stable at 16.7%.
- 4.8 In recognition of the need for more detailed information to inform resident decision making, qualitative feedback was obtained via four independently facilitated focus groups held during the week commencing 17 January 2021. The focus groups covered each of Nottinghamshire's four Community Safety Partnership areas: Nottingham City; South Nottinghamshire; Bassetlaw, Newark and Sherwood; and Mansfield and Ashfield, and involved a combined total of 41 participants from a diverse range of backgrounds.
- 4.9 Focus groups provided an opportunity for more nuanced exploration of attitudes towards the precept for policing informed by details of the annual budget for policing including sources of income, current precept level and areas in which savings and efficiencies are being delivered. Participants were also informed of the areas which would receive additional investment in the event of a rise in the council tax precept.

- 4.10 In contrast to the survey findings, all focus groups indicated strong support for an increase in the precept for policing based on the information provided and the areas of investment outlined. 83% of participants (34) supported a £10 increase in 2022.
- 4.11 A common caveat to this support across all focus groups, however, was the call for "more accountability" and "more transparency" in the way additional precept revenue was being invested. Some participants also felt that the provision of more statistical data on social media would help to ensure residents receive evidence of the impact of additional investment.

"I support it, but also would like to see more transparency of how the investment was targeted and performance was measured"

"Yes, I would be happy to pay it, but there needs to be some accountability. How do the police demonstrate this to us? They could post statistics, may be through social media. As an example, I don't know where the additional £6 from last year went or what impact it had"

4.12 Reflecting findings from the Police and Crime Survey, those that opposed an increase in the precept for policing typically referenced financial challenges as the main issue as opposed to explicitly not wanting to support an increase in police funding and resources.

"It is a very poor time to be asking people for more money, the cost of living has gone up, while household incomes haven't, and in plenty of cases, they have gone down"

5 COUNCIL TAX REFERENDUMS

The Localism Act 2011 requires authorities including Police & Crime Commissioners to determine whether their 'relevant basic amount of council tax' for a year is excessive, as excessive increases trigger a council tax referendum. The Secretary of State is required to set out principles annually, determining what increase is excessive. For 2022-23 the principles state that, for Police & Crime Commissioners, an increase of more than £10 in the basic amount of council tax between 2021-22 and 2022-23 is excessive.

For 2022-23 the relevant basic amount is calculated as follows:

Formula:

<u>Council Tax Requirement</u>
Total tax base for police authority area

= Relevant basic amount of council tax

Nottinghamshire 2022-23 estimated calculation:

 $\frac{£83,253,102.27}{327,445.83}$ = £254.25 (+£9.99)

An increase of £9.99 is below the threshold amount.

6 RECOMMENDATION ON THE LEVEL OF POLICE & CRIME PRECEPT ON THE COUNCIL TAX

As discussed in the Budget report resources have been allocated to support the police and crime plan. In assessing appropriate spending levels, consideration has been given to the significant unavoidable commitments facing the Police & Crime Commissioner, including the 20,000 uplift in Police Officer numbers nationally, pay awards and pension liabilities. Due regard has been given to the overall cost to the local council taxpayer. Consideration has also been given to the projected value of the available reserves and balances and the medium-term financial assessment (both reported separately).

The Commissioners proposed spending plans for 2022-23 result in a Police and Crime Precept on the Council Tax of £254.25 for a Band D property, representing an increase of £9.99.

For comparison purposes the Council Tax for Precepting Authorities is always quoted for a Band D property. In Nottinghamshire by far the largest numbers of properties are in Band A.

To achieve a balanced budget and having regard for the provisional notification of grant income an increase in the Police & Crime Precept has been required. This is on top of budget reductions and efficiencies to be achieved in year.

The calculation of the Police & Crime Precept on the Council Tax is as follows:

	2021-22		2022-23		Increase/	
	Budget		Budget		Decrease	
	£m		£m		£m	
Budget	233.2		247.7		14.1	(+)
External Income	154.7	(-)	163.2	(-)	8.5	(-)
Collection Surplus/deficit	0.1	(-)	0.8	(-)	0.7	(-)
Reserves	0.1	(+)	0.4	(-)	0.1	(-)
Precept	78.5	(-)	83.3	(-)	4.8	(-)

Council Tax Changes:

Tax Base	321,480	327,446	5,966
Council Tax Band D	£244.26	£254.25	£9.99
Council Tax Band A	£162.84	£169.50	£6.66

The overall Police & Crime Precept to be collected on behalf of the Police & Crime Commissioner for 2022-23 is:

	£m
Budgeted Expenditure	247.7 (+)
Less income from:	
Police & Crime Grant Legacy Grant	153.5 (-) 9.7 (-)
Collection Fund surplus/deficit	0.8 (-)
Net contribution to/(from) Balances	0.4 (-)
Police & Crime Precept on the Council Tax	83.3 (-)

The resulting precept and Council Tax levels derived from the measures contained in this report are detailed below:

Police & Crime element of the Council Tax

Band	2021-22 £	2022-23 £
Α	162.84	169.50
В	189.98	197.75
С	217.12	226.00
D	244.26	254.25
E	298.54	310.75
F	352.82	367.25
G	407.10	423.75
Н	488.52	508.50

Amounts to be raised from Council Tax in each billing authority area 2022-23:

	Precept amount to be collected	Collection Fund Surplus/(Deficit)	Total amount due
	£	£	£
Ashfield	8,657,898.98	48,039.00	8,705,937.98
Bassetlaw	9,253,888.94	35,746.00	9,289,634.94
Broxtowe	8,779,252.50	25,973.00	8,805,225.50
Gedling	9,604,654.79	0.00	9,604,654.79
Mansfield	7,769,193.53	284,274.51	8,053,468.04
Newark & Sherwood	10,476,371.25	267,321.40	10,743,692.65
Nottingham City	17,172,045.00	220,294.00	17,392,339.00
Rushcliffe	11,539,797.30	(51,762)	11,488,035.30
Total	83,253,310.29	829,885.91	84,083,196.20

Collection Dates

The dates, by which the Commissioners bank account must receive the creditin equal instalments, otherwise interest will be charged.

£
8,408,319.00
8,408,319.00
8,408,319.00
8,408,319.00
8,408,319.00
8,408,319.00
8,408,319.00
8,408,319.00

03 February	8,408,319.00
10 March	8,408,325.20
	84,083,196.20

7 ROBUSTNESS OF THE ESTIMATES

The Chief Finance Officer to the Police & Crime Commissioner has worked closely with the Head of Finance (Nottinghamshire Police) to obtain assurance on the accuracy of the estimates provided. There have been regular meetings between the Commissioner, Chief Constable and their professional officers.

Information provided in the Spending Review and Settlement announcement have been fully factored in to these estimates.

The replenishment of reserves and the use of direct revenue financing has progressed and have been used to finance the new building on the Joint HQ site, which will be in full operation for the whole of 2022-23.

The budget proposed within this report represents a balanced budget. To achieve this, the force has provided detail on how efficiencies and savings will be delivered. There are some potential risks to the full amount of savings being achieved and this will be monitored monthly, with alternative savings needing to be identified if the initial plans cannot be delivered.

The balanced budget is based upon the recommended £9.99 band D increase in Council Tax for 2022-23.

S25 of the Local Government Act 2003 require the Chief Finance Officer to report on the adequacy of estimates for the coming financial year. The CFO is of the view that the estimates are robust as based on the following:

COST DRIVER	ESTIMATE
Officer uplift	Delivery of the Force share of the
	20,000 national uplift is planned
Pay inflation	2% - (with potential to reduce levels
	of direct revenue financing if final
	amounts are greater).
Vacancy levels for police staff	3.5%
Pensions	16.5% LGPS, 31.0% Police Officers
Non pay inflation	0% to 10% (Fuel)
Tax base growth and collection fund	This has been confirmed by billing
surplus/ deficits	authority's 1.92%
General Inflation	2.5%
Police/Home Office IT charges	10%
Insurance	5%



Budget 2022-23



January 2022

After a significant period of challenging settlements and difficult to deliver annual budgets, the 2021-22 budget was more promising, and this trend has continued with the budget for 2022-23. The recent three-year settlement enables the Force to continue to look forward more positively in terms of investing in front line officers, staffing, estates and technology.

Over the past few years, the medium-term plan forecasting continues to prove insightful for decision making and enabling effective and value for money decisions to be made to provide the best value to the taxpayer of Nottinghamshire. It also allows Nottinghamshire Police to be financially sustainable as we look and plan for the future.

In 2019 the government announced a commitment to achieve an uplift of 20,000 police officers over the period to 2022-23 which was confirmed in the 2021 CSR. Nottinghamshire are well placed in achieving this by March 2022, a year ahead of schedule to provide more front-line officers in the areas that need it most which is fully supported by both the PCC and Chief Constable.

This accelerated recruitment of officers in advance of the Government's target has allowed the Force to maximise performance grant payments and invest in to achieve a more agile workforce. This has then played a significant part in helping to manage the impact of the pandemic, ensuring we can deploy officers and staff in a more dynamic way resulting in the service being less affected by Covid-19 related absences than it otherwise would have been.

2021-22 represented a transitional period for Nottinghamshire OPCC, with newly elected Commissioner, Caroline Henry, taking office in May 2021 and introducing a range of new in year commitments aligned to her 90-day plan and statutory three year Police and Crime Plan. During 2021-22 Commissioner Henry commissioned £12m of community safety and victim support initiatives to tackle crime and help victims and survivors recover from harm.

Achievements include securing almost £1.7m of new funding for domestic abuse and sexual violence support. This has funded 16 new Independent Domestic Violence Advisers/Independent Sexual Violence Advisers, as well ensuring there is support in Family Courts for survivors. Ambitious plans to work with partners have also been developed regarding domestic abuse prevention activity for 2022-23.

Other commissioning achievements in 2021-22 include the Commissioner:

Launching her new £1m 'Make Notts Safe' community fund which will help to
deliver the priorities of the Police and Crime plan over the Commissioner's term
of office by tackling hidden harm, rural crime, hate crime, diverting young
people away from crime and tackling the issues of most concern to local
residents.

- Securing funding over £2m new funding from the Home Office Safer Streets programme in 2021/22 for targeted crime prevention initiatives to protect vulnerable individual and communities at highest risk of crime.
- Securing just under £300k for activity to improve the safety of women at night in Nottingham's night time economy.
- Working with partners to provide mainstream funding to enable the Safer Streets Newark project to run for an additional year.
- Securing an additional £700k from the Home Office Serious Violence Youth Intervention Programme to strengthen custody intervention work in the city and county for children and young people aged 10 to 25.
- Protecting and increasing where possible her investment into vital support services such as victim and substance misuse support services and prevention initiatives including tackling domestic abuse perpetrators.

The Commissioner has continued to review opportunities to drive efficiencies in police and OPCC services, both via ongoing scrutiny of the force and a review of OPCC structure, functions and capabilities. The Office of the Police and Crime Commissioner will relocate to the joint Police and Fire and Rescue Service headquarters in early 2022 as part of plans which will save money and improve ways of working.

Nottinghamshire remains one of 18 areas in the country to receive funding from the Home Office's Serious Violence Fund in 2021-22. The Nottingham and Nottinghamshire Violence Reduction Unit (NNVRU) continue to provide strategic leadership and coordination of violence reduction activity, working with a number of multi- agency partners, including Public Health, Youth Justice, Probation, Prisons and Police.

Commissioning and delivery of interventions aimed at young people at risk of being impacted by serious violence, are based on the principle that intervening early to prevent issues emerging is the most effective way to ensure children, young people, and our communities remain a safe place to live and work. During 2021/22 the NNVRU have commissioned 28 separate projects for children and young people aged 5-25 years, with 1,109 unique individuals having been supported. To date, positive outcomes have been shown with a reduction in violent incidents, increased access to pathways of support and increased emotional resilience and wellbeing. Of the £880,000 budget allocated to the VRU, 40% of funding is forecast to be spent on commissioned interventions.

A further 8% of the funding has been spent on evaluation and research to increase the national evidence base to understand the cause of the cause and what works to tackle serious violence. This includes evaluation of custody interventions, the impact of experiencing or witnessing violence on boys' beliefs and behavior, and women and girls' experience of violence.

This year the NNVRU have also leveraged additional funding with successful bids to the Home Office and the Youth Endowment Fund (YEF) who are co-funding interventions around "teachable moments" including evaluation with a YEF appointed partner. Total funding awarded for the period 2021-24 is £1,497,550.

In Nottinghamshire the Force has delivered on ambitious recruitment plans over the last three years that feed into the national uplift programme. The drive for efficiency in support costs, either corporate or policing related will continue. The aim is to ensure our costs in respect of these activities are amongst the most efficient when compared to other police forces, and most VFM profiles show that this ambition is being realised.

We continue to look at savings throughout the Force to ensure the medium term plan commitments can be fulfilled and met. Over the years we have improved our approach to budgeting, introduced the Annual Departmental Assessment reviews, have more certainty of Central Government funding, and greater discretion in the setting of local taxation levels, the finance and operating model of Nottinghamshire Police is considered to be above the minimum standards and is sufficiently robust to be sustainable in the short, medium and long term.

2021-22 has seen the Force completing on a new custody suite replacing the Bridewell and a Joint Force Headquarters that will be shared with the Fire service. This will mean we have more energy efficient buildings in which to operate from and a better working environment for our employees.

2022-23 will see the Force fully move away from the shared service provision for Finance, Payroll, HR and L&D after a seven year period. This will enable us to provide a more efficient service that benefits the public of Nottinghamshire and allow and staff and officers to work more effectively as well as creating more local jobs.

We continue to invest in specialised areas such as Cyber Crime, Fraud, Modern Slavery and County Lines teams to help protect those most vulnerable to this and develop ways in which to combat this in the future.

The activities in respect of 2021-22 detailed above continue to be supported in 2022-23 with appropriate funding being allocated within the base revenue budget.

BUDGET 2022-23

Government funding has increased in order to deliver the priority of increased police numbers with an additional uplift of 45 FTE police officers in 2022-23. The Force remains focused on delivering value for money and providing investment in required areas whilst existing efficiency processes remain in place. Savings are still required to meet day to day increases in demand and to afford continued investment in assets and technology in order to maintain an efficient and effective Nottinghamshire Police Force.

1.1. Funding levels

The provisional funding levels have been set by the Home Office and the Department of Communities and Local Government. This anticipated funding is shown below.

Funding 2022-23	2022-23 £m
Core grants & funding Police & Crime grant Council Tax legacy grant	(153.5) (9.7)
Sub-total core grants	(163.2)
Precept Collection fund (surplus)/deficit	(83.3) (0.8)
Contribution from Reserves	(0.4)
Total funding available	(247.7)

Final confirmation of grant settlement will be laid before Parliament in February 2022.

The Precept Freedom of up to £10.00 for a Band D property (Referendum Limit) in each of the next three years was announced early as part of the Spending Review. This early announcement was much appreciated as it allowed time for appropriate financial management. The level of increase that has been assumed in the above figures is £9.99. Additional funding created as a result of this increase will ensure that focus can be prioritsed on serious violence and knife crime, violence against women and girls, neighbourhood crimes and other high harm offences, such as slavery, exploitation and abuse. It will enable us to improve our digital capacity and to allow us to better understand and respond to issues of greatest community concern.

1.2 Investment in Service

The increase in precept and government funding will allow Nottinghamshire to meet its budget pressures, deal with the legislative changes and allows further investment in restorative work, IT capabilities, fraud, ANPR, rural crime, domestic and sexual violence, county lines and target hardening whilst still maintaining the growth we have seen in frontline resources over the past couple of years through the national uplift programme.

In addition, £0.5m is being made available to invest in outcomes from the annual departmental assessments (ADAs), which identify changes to demand and improvements to the operational approach to policing. These consist of additional apprentices, systems improvements, digital and cyber additionality and greater resilience around public protection. This also covers funding to support demand and activity changes identified during the year as business cases are developed and where these meet organisational requirements to enable the force to be more efficient and effective.

In 2022-23 we will land and fully implement the systems and resources for a better corporate IT services (Op Regain) which means we will have systems in place that are fit for purpose and provide value for money in Finance, Payroll, HR and L&D. This will be supported by additional jobs within Nottinghamshire that was previously paid for via a shared service.

The Commissioner and Chief Constable also have allocated £0.15m to further augment our prevention activity based on in year demand. The PCC already funds a number of bespoke crime prevention initiatives in the community and the Chief Constable has embedded Schools Officers across the force.

Summary of investments 2022-23

45 Police Officers 1 year ahead of uplift target

- o 9 Modern Slavery/county lines (includes 1 D.I.)
- o 24 Op Reacher Neighbourhood Uniformed PC's
- o 4 Knife Crime (2 city, 2 county)
- o 5 cyber Digital Media Investigators
- 1 Superintendent (prevention, knife crime, VRU, IOM)
- o 1 DCI lead Violence against Women and Girls
- o 1 Mental Health Safeguarding Officer

Force

- o £250k to support County Lines Work
- o £300k Improvement to Prosecution Files
- o £1m to replacement of core support systems
- o £1m+ replacement/investment in IT, £500 for ADA's
- o £50k Rural crime initiatives
- 11 additional Op Reacher Vehicles (with ANPR)
- o County ANPR ring of steel £0.5m over 2 years

25 Staff posts

- o 4 Fraud Triage roles
- 5 Surveillance serious and organised crime
- o 9 Driver Retraining Programme
- o 2 Forensic Collision Investigators
- o 3 Community Cohesion, DV Disclosure, Victim Id
- 2 Child Exploitation Intervention, Digital Monitoring (MOSOVO)

OPCC

- o Target Hardening (£800k over 3 years)
- o £50k Victim Support (fraud)
- o £50k Burglary Reduction Support
- £300k Staffing (Engagement, Governance, Commissioning)
- o £50k Drug Awareness education
- o £150k Restorative Nottinghamshire (rising to £300k)
- o Safe Haven Cameras

1.3 Summary expenditure

The Commissioner is required to set a balanced budget each year, with increased pressures from inflation, pay awards, new demands and investment this inevitably means efficiencies have to be identified and delivered in order to balance the budget. In 2022-23 £2.5m cashable efficiencies are identified and have been allocated to specific areas within the base budget.

Net expenditure 2022-23	2022-23 £m
Previous expenditure	233.2
Non Pay inflation increases	1.2
Pay increases	8.5
Changes in demand	5.2
Investment	2.6
Sub-total expenditure	250.7
Efficiencies	(3.4)
Use of reserves	0.4
Total net expenditure	247.7

The changes in year shown above are detailed further in the report.

2. 2022-23 Budget breakdown

Annex 1 details the proposed expenditure budget for 2022-23. The proposed revenue budget is £247.7m.

Net expenditure budget	Initial 2022-23 £m	Efficiencies £m	Base 2022-23 £m	Note
Employee	161.5	0.5	161.0	2.1
Premises	8.8	0.4	8.4	2.2
Transport	5.1	0.7	4.4	2.3
Comms and Computing	11.0	0.2	10.8	2.4
Supplies & services	10.7	0.0	10.7	2.5
Agency & contract services	27.9	1.4	26.5	2.6
Pensions	38.1	0.0	38.1	2.7
Capital financing	9.6	0.0	9.6	2.8
Income	(21.2)	0.2	(21.4)	2.9
Use of reserves	(0.4)	0.0	(0.4)	2.10
Net Expenditure	251.1	3.4	247.7	Annex 1

2.1 Employee related expenditure

The 2021-22 budget provided for continued officer and staff recruitment.

In line with the original three-year government uplift programme Nottinghamshire will have also recruited an additional 357 officers by March 2022 for deployment in 2022-23. Since 2018 this will be almost 500 additional officers which is a growth of 26%.

Employee expenditure accounts for approximately 80% of the total expenditure budget. The estimated pay award for officers and staff in 2022-23 is 2.0%.

2.2 Premises related expenditure

During the period of austerity the Commissioner's estate has been reduced in order to achieve efficiencies, but also to ensure resources are allocated based upon need and to facilitate planned changes in working arrangements. Such changes will include remote working through better technologies ensuring officers are in the communities and hot-desking to ensure optimal use of office

space available. In addition, core maintenance budgets have increased for the remaining stock reflecting the age of the buildings but also ensuring that maintenance standards are reflective of the needs of the workforce.

Capital investment in new buildings has been included in the capital programme, the main investment being a replacement custody suite, as the previous operation became increasingly less fit for purpose. This completed in 2021-22 and is a welcome addition to the estate in providing an effective and efficient environment for officers and staff to operate in.

A new building project commenced in 2020-21 for a joint headquarters building with Fire on the current Police Headquarters site. This becomes operational in January 2022. Future operational efficiencies should be delivered as the purpose-built buildings will have latest maintenance/fuel efficiencies built in and should be designed to deliver other operational efficiencies. These will contribute to future efficiency requirements identified in the Medium-Term Plan.

There were plans previously to sell Newark Police Station however, after a period of consultation the Commissioner has decided that Newark Police Station will remain to be utilised by the Force for future purpose with other public sector providers to ensure that best value is achieved as a result of this change in approach.

Premises related expenditure includes the provision of utility services to those properties and these are elements of the budget that are adversely affected by inflation. For 2022-23 inflation for gas and electricity has been budgeted at 5.0%. In addition, costs have increased as a result of uplift numbers.

2.3 Transport related expenditure

During the latter part of 2020-21 the Force mutually agreed the exit from its vehicle PFI contract. This agreement was expensive and required careful management to ensure the most advantageous service from the supplier.

As a result of this change the Force has purchased back all vehicles, along with associated equipment and stock. 17 staff members have TUPE transferred back to Force from the supplier – these staff were all associated with the delivery of the repairs and maintenance elements of the contract.

For 2022-23 the full financial impact of this has been able to be included creating a positive impact on the net expenditure total for 2022-23 with ongoing savings in the order of £650k per annum.

Within 2021-22 the purchase of the Chilwell vehicle site was completed meaning it is now wholly owned and control by the Force.

2.4 Comms & Computing expenditure

This category captures the costs of the computing infrastructure for the force, including hardware, software and licences. Costs of mobile data and investments in agile working provide for a more efficient front line policing presence.

Some of the IT systems that the Force uses are provided through national contracts that the Home Office then recharge costs to the Force. Notification from the Home Office sees the total cost of these systems continuing to increase above the rate of inflation, being almost 10.0% for 2022-23.

The IT/IS service remains critical to the business of the Force and its ability to deliver future efficiencies. £0.2m is factored in to the 2022-23 efficiencies in relation to redundant systems. Within the ADA funding it is expected that investment in the core activity will be made during 2022-23.

2.5 Supplies & services expenditure

This category of expenditure captures most of the remaining items such as insurance, printing, communications and equipment. There are also some centrally held budgets for unspecified operational demand, this will provide for the opportunity to react quicker to local issues/hot spots, address demand issues and to provide funding for low value equipment and materials.

For all other expenditure an inflation factor of 2.5% has been applied in 2022-23, unless there was specific contracted inflation.

2.6 Agency & contract services

This category of expenditure includes agency costs for the provision of staff, professional services such as internal and external audit and treasury management, and the costs associated with regional collaboration.

A breakdown of the costs associated with this classification is summarised below:

Analysis of Agency & contracted services	2022-23 £m
Agency costs Collaboration contributions Community safety Other partnership costs	0.1 12.0 9.1 5.3
Total	26.5

The £0.1m for agency costs relates to resourcing specific skills to assist in the transition of MFSS back to force as part of Op Regain. In year additional agency costs may be incurred as a result of utilising agency staff to cover short term vacancies, especially where departmental restructures are taking place.

Regional collaboration is shown as a joint authority as this is the basis of the collaboration agreements. The region has been challenged to deliver savings from across those projects already in place.

Analysis of Collaboration contributions	2022-23 £m
Serious and Organised Crime Major crime Forensics EMOpSS Air Support EMCJS Learning & development Occupational health unit Legal Multi Force Shared Services (MFSS)	6.7 0.3 1.5 0.7 0.2 0.5 0.5 0.5
Total	12.0

2.7 Pensions

This includes the employer contributions to the two Police Pension Schemes in place and to the Local Government Pension Scheme (LGPS) for police staff.

The budgeting for medical retirements has seen the number of cases and the associated costs increasing over time. However, for 2022-23 a more stable outlook is expected, and current budget levels have remained.

Employer contributions in respect of the LGPS scheme are reviewed by the Actuaries on a tri-annual basis and annual contributions are then adjusted. This revaluation took place in 2019 and contributions were increased by 3.1%.

2.8 Capital financing

This relates directly to the value of the capital expenditure requiring loan funding in previous years. The proposed capital programmes for 2022-23 have been prioritised to ensure that schemes included are not only reflective of need but also are realistic in deliverability.

In line with this approach schemes proposed in 2022-23 are appropriately apportioned; over several years in some cases. All have active delivery plans that are monitored centrally on a regular basis.

The revenue impact of any capital expenditure is included within this report and the financing arrangements are detailed within the Treasury Management Strategy report.

Significant increases in capital financing cost have arisen due to increased revenue support for the financing of projects. This cost has been funded from uplift as funding has been front loaded to allow forces to put the infrastructure in place to support additional officers and staff.

2.9 Income

Income is currently received from other grants (e.g. pension and knife crime), re-imbursement for mutual aid (where the Force has provided officers and resources to other Forces), some fees and charges (such as football matches and other large events that the public pay to attend) and from investment of bank balances short term.

2.10 Use of reserves

Use of £0.4m from the commissioning budget following a review as this is a level above core requirements therefore funding can be used to reduce net taxpayer contribution.

2.11 Variation to 2021-22 Budget

A variation of budgets between years arises as a result of a variety of changes (e.g. inflationary pressures, efficiency reductions and service demands). Annex 4 details a high level summary of reasons for variations between the original budgets for 2021-22 and 2022-23.

3. Efficiencies

3.1 The Commissioner is of the view that continually achieving efficiencies remains challenging. However, she appreciates that the level of efficiencies now required each year has reduced significantly and as part of any annual review should be manageable as demonstrated within the Medium-Term Financial Plan.

3.2 2022-23 Efficiencies

As part of the 2022-23 budget the following efficiencies are required in order to set a balanced budget.

Efficiencies	2021-22	2022-23
Pay savings	0.6	0.5
IT	0.9	0.2
Estates	0.3	0.4
Fleet	0.0	0.7
Income	0.5	0.2
Covid impact	0.2	0.0
Collaboration	0.0	1.4
Total	2.5	3.4

Plans are in place to secure the above efficiencies in the 2022-23 budget and there is a high degree of confidence that these will be fully secured as planned.

- 3.3 As in the previous year if these targets are not met the Commissioner will require the force to provide alternative in year savings plans. If this is required it is likely that the force will respond by delaying its in-year recruitment plans, or adjusting the plans around the ADA investment options.
- 3.4 There are always risks and there needs to be consideration that these are estimates of spend. We are also awaiting on confirmation on specific grants which could go up, down or stay the same.

From a national project perspective we are aware that these can overrun and therefore create additional expenditure in force where costs are pushed down from the Home Office.

4. External Funding

There is an assessment of the financial risk in respect of external funding currently provided. In 2022-23, 2 officers and 77 staff FTE's are funded externally and are added within the expenditure and workforce plans. This could be an additional pressure in future years as funding pressures mount for partners.

If this external funding was to cease the Chief Constable would consider the necessity for these posts based on operational need and may decide not to fund from the already pressured revenue budgets.

In addition to these there are 28 police officers and 7 staff FTE's seconded out of the organisation in 2022-23. This compares with 26 officers and 8 staff FTE's seconded in 2021-22.

5. Robustness of the estimates

The Chief Finance Officer and his staff have worked closely with the Budget Officers of the Force and OPCC to obtain assurance on the accuracy of the estimates provided. There have been regular meetings between the Commissioner, Chief Constable and their professional officers.

Information provided in the Spending Review and Settlement announcement have been fully factored into these estimates and the budget proposed within this report represents a balanced budget. To achieve this, the report details the efficiencies and savings that will be delivered in the financial year. There are some inherent risks to the full amount of savings being achieved and of the expenditure and income to be made; this will be monitored monthly, with plans being altered if needed in order that the net budgeted expenditure target can be delivered.

In determining the budgeted figures significant enquires have been made with Budget Officers, risk assessment and professional judgement where appropriate and challenge has been applied by those charged with governance, it is therefore considered that these figures represent a robust estimate of the Force and OPCC requirements for 2022-23.

Annex 1

2022-23 Commissioner's Total Budget (£m)

5 ()	Force Budget	OPCC Budget	Total Budget
	2022-23	2022-23	2022-23
Pay & Allowances	£m	£m	£m
Officer	125.1	0.0	125.1
Staff	49.4	1.3	50.7
Investigator	3.5	0.0	3.5
PCSO	5.6	0.0	5.6
	183.6	1.3	184.9
Overtime			
Officer	4.9	0.0	4.9
Staff	1.1	0.0	1.1
Investigator	0.1	0.0	0.1
PCSO	0.1	0.0	0.1
	6.2	0.0	6.2
Other employee expenses	2.5	0.0	2.5
Medical retirements	5.0	0.0	5.0
	197.3	1.3	198.6
Other operating expenses			
Premises related	8.4	0.0	8.4
Transport	4.4	0.0	4.4
Communications & computing	10.8	0.0	10.8
Clothing & uniforms	0.8	0.0	0.8
Other supplies & services	5.9	0.6	6.5
Custody costs & police doctor	1.6	0.0	1.6
Forensic & investigative costs	2.4 4.5	0.0 9.9	2.4 14.4
Partnership payments & grants to external organisations Collaboration contributions	12.0	0.0	12.0
Capital financing	9.6	0.0	9.6
Capital infalloning	60.4	10.5	70.9
Total expenditure	257.7	11.8	269.5
Income			
Seconded officers & staff income	(2.3)	(0.0)	(2.3)
Externally funded projects income	(3.4)	(0.0)	(3.4)
PFI grant	(0.6)	(0.0)	(0.6)
Ministy of Justice (MoJ)	(0.0)	(4.0)	(4.0)
Investment interest	(0.1)	(0.0)	(0.1)
Pensions grant income	(2.0)	(0.0)	(2.0)
Other income	(8.1)	(0.9)	(9.0)
	(16.5)	(4.9)	(21.4)
Net use of reserves	0.0	(0.4)	(0.4)
Total	241.2	6.5	247.7

Specific efficiency plans totaling £3.4m have already been removed from the main budgets.

Annex 2

2022-23 Force workforce plan

	Police Officer FTEs	Police Staff FTEs	Police Investigators FTEs	PCSOs FTEs	Total FTEs
Opening bal (01/04/22)	2,342	1,313	81	150	3,886
Leavers / restructure	(84)	(110)	(27)	(17)	(238)
Retirement	(77)	(10)	0	0	87
Recruitment	161	109	20	17	307
Closing bal (31/03/23)	2,342	1,302	74	150	3,868

Officer numbers remain stable as Nottinghamshire Police have achieved the national uplift in officers ahead of the government target of March 2023. There will be **45 additional officers** land between February and March 2022 that will deliver benefit in 2022-23. The small reduction in Police staff numbers is due to project teams finishing in year that is attributed from bringing services back in house for Finance, Payroll, HR and L&D these temporary roles offset the **increase of 25 full time permanent front line staff** added to the establishment in 2022-23

The OPCC is currently undertaking a roles and responsibilities review which at the time of setting this budget hasn't concluded. It is intended that this review is reflective of the significant increase in commissioning that has occurred over the last three years (almost doubling to £12m in 2022-23). Therefore an additional £0.3m has been provided for additional staff required to improve governance, enhance commissioning and to develop the public engagement role further.

Variation to the 2021-22 Budget (£m)

	Total Budget 2021-22 £m	Total Budget 2022-23 £m	Variance £m
Pay & Allowances			
Officer	120.1	124.5	4.4
Staff	51.0	50.5	(0.5)
Investigator	0.0	3.4	`3.4́
PCSO	5.5	5.6	0.1
	176.6	184.0	7.4
Overtime			
Officer	4.5	5.5	1.0
Staff	0.9	1.4	0.5
Investigator	0.0	0.1	0.1
PCSO	0.1	0.1	0.0
	5.5	7.1	1.6
Other employee expenses	2.2	2.5	0.3
Medical retirements	4.9	5.0	0.1
	189.2	198.6	9.4
Other operating expenses			
Premises related	7.0	8.4	1.4
Transport	6.7	4.4	(2.3)
Communications & computing	8.8	10.8	2.0
Clothing & uniforms	0.7	0.8	0.1
Other supplies & services	6.3	6.5	0.2
Custody costs & police doctor	1.6	1.6	0.0
Forensic & investigative costs	2.1	2.4	0.3
Partnership payments & grants to external organisations	10.5	14.4	3.9
Collaboration contributions	11.2	12.0	0.8
Capital financing	10.2	9.6	(0.6)
	65.1	70.9	5.8
Total expenditure	254.3	269.5	15.2
Income			
Income	(21.2)	(21.4)	(0.2)
	(21.2)	(21.4)	(0.2)
Net use of reserves	0.0	(0.4)	(0.4)
Total	233.1	247.7	14.6

Annex 3

Variation to the 2021-22 budget

Police pay & allowances

The £4.4m increase from the 2021-22 budget is predominantly due to completing our uplift allocation a year ahead of schedule and the impact of officers moving up the increment payscale. The pay award factored in is 2% to commence from September 2022. In 2022-23 the national insurance on overtime now sits on the Police Officer overtime area to enable for better comparison throughout the year, this amounts to £0.6m.

Police staff pay & allowances

The £0.5m decrease from the 2021-22 budget is due to additional analysis over a new budget category which has moved £2.9m to investigator pay. There is also a pay award of 2% assumed in the budget for 2022-23 and there will be a small net decrease in FTEs as we see those involved with supporting the project of bringing back the shared service leaving the organisation during the year. In 2022-23 the national insurance on overtime now sits on the Police Staff overtime area to enable for better comparison throughout the year, this amounts to £0.1m

Investigator pay & allowances

A new budget category for 2022-23 to enable better analysis and monitoring of the spend in this area. It covers graduate investigators as well as Police staff investigators (level 1 and level 2). The costs for 2022-23 are budgeted to be £3.4m.

PCSO pay & allowances

The costs year on year have increased by £0.1m for PCSOs. A total of 150 FTEs are budgeted for on average as we have had an increase in officer numbers over the past couple of years so therefore have the ability to structure the policing model in a more effective way. Many PCSOs that leave are still doing so to join as officers.

Overtime

The £1.6m increase from the 2021-22 budget is due to officer and staff costs rising through increments and also other costs such as mutual aid to increase in 2022-23 which will be offset with increased income. There is also a greater burden on officers in respect of their prosecution file responsibilities in the wake of the Attorney Generals guidance which adds pressure to this budget. £0.8m of the increase is due to having national insurance on overtime now being reported here as opposed to the allowances above to enable better analysis of the data and trends.

Medical retirements

A small £0.1m increase year on year but the rise is purely in line with officer costs increasing as opposed to the volume of forecasted medical retirements in 2022-23.

Premises related

There is an increase of £1.4m from the 2021-22 budget which reflects a rise in electricity and gas prices of £0.6m; £0.3m increase in hire of rooms for driver re-training; £0.3m increase in planned maintenance of buildings; £0.2m rise due to inflation on general rates; a rise of £0.2m in contract cleaning due to new premises and a £0.1m increase on rent costs. This is partially offset by savings in the reduction of the force's estate and a £0.4m contribution from Nottinghamshire Fire and Rescue in relation to sharing accommodation.

Transport

There is a £2.3m reduction in costs in this area predominantly due to the full year impact of the exit from the PFI contract. Whilst this figure is high it needs to be taken in context that much is offset with an increase in staff pay, estates (Chilwell) and a reduction in the PFI grant that were in other areas of the budget.

Communications & Computing

Overall, there is a £2.0m increase year on year. This can be attributed to £1.2m to the set up costs for ABSS, MHR and Crown, i.e. the systems that are replacing MFSS as well as £0.4m in the full year annual cost of these systems. £0.3m for the full year cost of DEMS; £0.3m investment as part of the annual departmental assessments and £0.2m as an inflation safeguard for the increase in microchip costs. There are reductions of £0.4m from one-off costs in 2021-22, a revised replacement programme and efficiency savings for removal of redundant systems.

Clothing & uniform

There is a £0.1m increase from 2021-22 in relation to additional costs due to the uplift programme and the increase in officers.

Other supplies & services

The £0.2m increase is mainly in relation to a rise in insurance costs and inflation/re-evaluation in this area as well as an increase in banking and broker costs predominantly through the driver re-training.

Partnership payments

The £3.9m increase from the 2021-22 budget is mainly on the commissioning side which is reflected largely in income. There is also a 10% rise on Home Office ICT charges which accounts for £0.2m.

Collaboration contributions

The £0.8m increase in budget from 2021-22 is primarily charges from EMSOU and how recharging between parties is carried out seeing a rise in here of around £2.2m offset by income of £1.7m. There is also a £1.4m decrease in costs in relation to MFSS as we exit that arrangement.

Capital financing

The £0.6m decrease from the 2021-22 budget is partly due to lower MRP charges and a decrease in interest charges against loans held. There remains a direct revenue financing contribution of £4.4m in 2022-23, the affordability of which may be reduced if the actual pay award is significantly higher than the budgeted amount.

Income

This has increased by £0.6m from the 2021-22 budget and the main reasonfor this is from an increase in rental income due to Nottinghamshire Fire and Rescue service moving in to the joint headquarters and income from the driver re-training.

Reserves

The contribution from reserves has increased by £0.4m from the 2021-22 budget and the reason for this is following a review of the commissioning budget being a level above core requirements therefore funding can be used to reduce net taxpayer contribution.



<u>Capital Programme</u> <u>2022-2027</u>



1. Introduction

The Commissioner is supportive of capital expenditure which improves the efficiency and effectiveness of the service provided to the public of Nottinghamshire.

The majority of capital expenditure relates to the buildings and IT systems.

The ability for the Commissioner to finance capital expenditure through borrowing is limited by the affordability of a rising Capital Financing Requirement, a key prudential indicator. In keeping within the indicator limits some major capital projects are being financed from revenue/reserves. Where capital receipts are available these are utilised to finance short life assets. Both of these actions reduce the burden on the revenue budgets in future years.

2. Capital Programme 2022-23

This programme is built upon the current priorities within the Force. Ensuring premises and equipment are fit for purpose, appropriately maintained and replaced at the end of their useful life.

It is currently estimated that there will be approximately £4,979k slippage from 2021-22 (P8) capital programme into 2022-23, these figures will be re-evaluated and confirmed at the end of the financial year.

The detailed programme, proposed by the Force, for 2022-23 is provided in **Appendix A.**

The proposed programme is summarised in the table below:

Capital category	2022-23 £k	2023-24 £	2024-25 £	2025-26 £	2026-27 £
Assets	3,568	2,044	2,440	2,508	2,600
IT	458	1,182	2,497	315	112
Fleet	2,422	2,720	2,854	2,935	2,650
Total	6,448	5,946	7,791	5,758	5,362

Inflation has been added over the life of the 5-year programme to show what we expect the impact to be based on current assumptions.

Work continues in line with the building condition survey from 2017 ensuring all our buildings are safe and fit for purpose. From 2022-23 onwards a new base-line budget has been set, increased with inflation for on-going building condition and capital maintenance works. A breakdown of these works can be found in appendix B.

Within IT the technical refresh project budget has now been included in the medium-term financial plan in revenue in line with Treasury Management Strategy.

Fleet shows the on-going replacement of vehicles now that the force has ended the PFI contract and has full ownership of all the forces fleet of vehicles.

Budgets for operation uplift have been included in line with government funding expectations. Fleet shows an increase in vehicles for the four years of the project with replacements built in, including inflation, for the following years.

Whilst in the main the capital programme is very much based on the maintenance and replacement of the status quo new items in respect of the extension of the ANPR cameras to complete the 'ring of steel' around Nottinghamshire is provided for, with Investment of £500k over the next two years. An investment to extend the use of Safe Haven camera completes the additional IS/IT spend.

3. Medium Term Capital Programme

It is normal practice to provide an indication of the capital programme for 2022-23 to 2026-27. With the understanding that this part of the programme will be subject to change following a detailed business case and affordability assessment.

An indicative proposed programme for the 5 years is provided in **Appendix A**.

4. Financing

Financing is included within the Treasury Management Strategy included elsewhere within this agenda.

5. Revenue Implications

Capital Expenditure does have revenue implications; generally these have the greatest impact in the year after the capital expenditure has been incurred/project completed. These costs reflect a depreciation cost and a cost of borrowing. The cost of borrowing is made up of a mixture of interest only and EIP (equal instalments of principal and interest) loans. Where interest only loans have been taken the capital sum will need to be repaid. Depreciation is allocated over the life of the asset.

The Revenue budget for 2022-23 includes the estimated Minimum Revenue Provisions (MRP) based on expenditure prior to 1st April 2021, including an estimated cost of borrowing for existing borrowing and new borrowing planned in 2022-23.

The MTFS makes adjustments for significant changes in MRP and interest costs.

Appendix A

Capital Programme 2022-23 to 2026-27 PRIORITY SCHEMES RECOMMENDED FOR INCLUSION IN THE MEDIUM TERM PLAN

Figures Shown £'000			Year				
Suggested Priority	Project Name	Department	2022-23	2023-24	2024-25	2025-26	2026-27
1	Building Condition & Capital Mtn Works	Estates & Facilities	50				
	Custody Improvements	Estates & Facilities		113	116	119	
	ESN	Information Services	24	849	2,182		
	Estate Improvements	Estates & Facilities	100	100			
Total Priority 1 Projects			174	1,062	2,298	119	-
2	Building Condition & Capital Mtn Works	Estates & Facilities	1,808	1,431	2,124	2,189	2,400
	Custody Improvements	Estates & Facilities	360				
	Estate Improvements	Estates & Facilities	-	200			
	Joint FHQ	Estates & Facilities	250				
	ANPR	Information Services	104	133	315	315	112
	Vehicle Replacement	Fleet	2,422	2,720	2,854	2,935	2,650
Total Priority 2 Projects			4,944	4,484	5,293	5,439	5,162
3	Estate Improvements	Estates & Facilities	1,000	200	200	200	200
Total Priority 3 Projects			1,000	200	200	200	200
4	ANPR	Information Services	300	200			
	Safe Haven Cameras	Information Services	30				
Total Priority 4 Projects			330	200	-	-	-
Grand Total			6,448	5,946	7,791	5,758	5,362

Appendix B

BREAKDOWN OF BUILDING CONDITION & CAPITAL MTN WORKS

Figures Shown £'000	Year
Sub Project Name	2022-23
Radford Road - Roof & Windows	1,200
Phoenix House - Lighting, replacement & repairs to windows	360
Phoenix House - Flooring & Decoration	150
Newark - Refurb WC's	85
Radford Road - Fire Alarm Replacement	50
Broxtowe - Boiler Replacement	13
Grand Total	1,858



Financial Strategy

2022-2027

January 2022

1. Executive Summary

- 1.1 This report brings together the Commissioner's business and financial planning. It looks forward over the next 5 years and sets out how it will meet the Commissioner's Police and Crime objectives.
- 1.2 The Police & Crime Delivery Plan has been refreshed and is included in thereports to the Police & Crime Panel. The key objectives within the plan are:
 - Preventing Crime and Protecting People from Harm
 - Responding efficiently and effectively to Community Needs
 - Supporting Victims and Survivors, Witnesses, and Community

This financial strategy puts in place the financial commitments in achieving these objectives.

- 1.3 Linked with this and presented at the same time is the precept report, the revenue budget for 2022-23, the capital strategy, capital five-year programme, treasury management strategy and reserves strategy. This strategy brings together all of these reports and strategies and they should be read in conjunction with one another. This strategy also includes indicative budgets for the next 4 years up to 2025-26 based on information known at the current time.
- 1.4 For 2022-23 the proposed level of net revenue expenditure after income and specific grants is £247.7m which is an increase of 6.2% over the 2020-21 amount of £253.2m. Setting a balanced budget requires a council tax increase of £9.99 (band D equivalent). This level of council tax increase is possible due to the additional freedoms provided within the Autumn 2021 Spending Review, which allow a council tax increase of up to £10 to coverthe increase in cost pressures such as pay awards and inflation not included in core grant. This freedom can be assumed in the following two years as the funding settlement covers a 3-year period for Policing giving more certainty to our financial planning.
 - 1.5 This level of spend and the resulting amount of council tax precept does not provide any additional contribution to reserves in 2022-23, but there is a significant contribution to capital expenditure from revenue. The level of General Reserves remains between minimum and maximum recommended levels. It is planned to review the reserve issuefollowing the 3-year settlement as this gives more certainty to future funding levels and the Force's spend and risk analysis.

- 1.6 Further work will be undertaken during 2022-23 to better understand key risks and pinch points together with a more planned approach to medium term financial planning, incorporating a whole organisation approach. This will ensure all aspects are considered, eg workforce requirements, estate, vehicle and ICT plans). For estates the plan needs to cover a period of 15-25 years. This will enable better planning and the ability to maximise resources and demonstrate value for money for the taxpayer.
- 1.7 Revenue funds are also being made to fund capital spending, in 2021-22 this is estimated to be in the region of £4.5m and for 2022-23it is estimated to be £4.4m. As capital funding from government grants and the sale of assets reduces, the PCC becomes more reliant on the precept amounts to fund Capital expenditure, either through direct revenue financing or providing for the repayment of Loans.
- 1.8 Nottinghamshire Police is heavily dependent on government grant funding, with 2/3rds of its funding coming from grant. Core police resources are assumed to increase in line with inflation, although this is wholly driven by increases in Council Tax with no corresponding increase in Core Government Grants.
- 1.9 In 2022-23 an additional £8.5m, in respect of uplift only, has been provided. Thistakes the total core grant including Uplift funding to £163.2m compared with £154.7m for 2021-22. Despite Covid and the huge impact on the Government's finances the grant settlement was better than expected. However, the issue going forward in the medium to long term is that core grant and Council Tax increases are unlikely to cover all spending pressures, maintaining the requirement for the organisation to continue on its delivery of efficiencies.
- 1.10 The budget includes the latest indicative assumptions from the Government's Spending Review. It does not make any assumption relating to a Funding Formula Review as the timing of a new formula is uncertain. As Nottinghamshire Police are one of the losers under the current funding formula it had been hoped that a new formula would provide a greater level of ongoing grant support in the longer term.
- 1.11 Looking forward, the 5-year medium term financial strategy for 2022- 2027 currently forecasts a total budget gap of £12.1m, with deficits not first arising until 2025-26.
- 1.12 Given all of the above, it is imperative that financial governance is strong and given appropriate priority to delivering on the efficiency agenda and driving transformation. Good practice in this regard is demonstrated by the introduction of a new Financial Management System (which goes live April 2022), major contractworks as well as the restructuring of the Office of the Police and Crime Commissioner with a greater focus being given to Commissioning, Governance and Community Engagement.

1.13 Work has been ongoing on a number of fronts in the past 2-3 years, including a restructure of the Finance Team, the appointment of new senior finance staff, improved budget monitoring and the embedding of business partnering within the Force approach to business management: all which leads to improved confidence in overall financial sustainability.

2. Financial Context

2.1 National Background

- 2.1.1 The last 10 years have resulted in many changes to the environment that Policing operates in. The economic downturn which started in 2007-08 has been a key driver for this and has presented the Police & Crime Commissioner with significant challenges for policing in Nottinghamshire, including:
 - Reductions and flat cash settlements in grant funding
 - Restrictions on Council Tax: relaxed in recent years
 - Demand led pressures
 - Other external factors
 - The UK's withdrawal from the European Union
 - The impact of the COVID 19 pandemic
- 2.1.2 These economic challenges have contributed to uncertainty, and this has been reflected in the way in which Commissioners have developed medium term strategies for the delivery of services.

2.2 Spending Review

- 2.2.1 The Home Office have concluded their work on the Spending Review 2021. This was done over a very short period of time and within a remit from the Treasury that things will be tight, where we have had an indication of how this will impact police funding it has been applied to this strategy.
- 2.2.2 A long-awaited Funding Formula review is still required and is currently the subject of review. The Police Grant is allocated on a formula which originates and includes data from 2005. And the formula itself was never fully implemented due to the floor's mechanism operated.

2.2 Other factors

At a national level the factors which will affect local finances include: the impact from leaving the European Union, Pension Revaluations, the impact of the pandemicand nationally run projects such as ICT projects. These are all outside of local control, but all will continue to impact significantly on resources made available.

3. <u>External Influences & Local Impact?</u>

3.1 Background and Budget Setting

- 3.1.1 Each year the Force commences it's budget process in late Summer, with a draft budget required by 30th November. Only small adjustments are then needed as the information from the Autumn Statement and spending review become known. Final adjustments are made in January once final grant settlement has been announced.
- 3.1.2 Both the PCC and PCC CFO's attend meetings at a regional and national level to ascertain any possible information from the Home Office that can be obtained and influence the parameters for setting the local budget.
- 3.1.3 When settlement was announced in December 2021 we were provided with precept freedom of £10 and a core grant increased for police officer uplift only. The settlement period was also for a three-year period, rather than the usual one year. The precept and budget reports are produced on this information with future assumptions based on increased core grant for uplift only, a £9.99 increase in Council Tax for 2023-23, £10 further increase per year in precept until 2024-25, plus expected tax base growth.
- 3.1.4 As part of this process all variables are reviewed such as pay award assumptions, the costs of incremental progression, the impact of the living wage, inflation, demand led increases such as the increase in IT (purchase and revenue running costs).
- 3.1.5 This revised strategy updates all known variables based upon the latest information.
- 3.1.6 The Force runs a series of internal events known as the ADA process to identify growth required. This also provides the initial contribution towards on-going efficiencies.
- 3.1.7 **Appendix A** provides an updated high-level projection of net revenue expenditure and potential funding. This will continue to be updated as we go through the Spending Review and Budget Setting process.

3.2 Current Knowns and Unknowns

3.2.1 Impact of Brexit

As negotiations are on-going regarding the implementation of the exit deal with the European Union, its impact on public sector funding remains unknown.

3.2.2 Impact of the Pandemic

The impact of the pandemic at a national level on public sector funding is still emerging, although economic recovery has been more positive than first expected, the impact both short and long term is likely to be focused on the recovery of the National Health Service for any further additional funding being made available.

- 3.2.3 There remains concern on the impact of the pandemic on council tax. Locally, billing authorities are concerned about any reduction on the amount of council tax collected, although most have a collection fund surplus declared in 2022-23 and tax base increases have returned to the normal range.
- 3.2.4 Subsequent announcements as part of the previous spending review have confirmed the provision of a Council Tax Support Grant to alleviate the problems of a reduction in the forecasted tax base. And the provision of a local Council Tax Income Guarantee Grant to contribute 75% towards the deficit on the CollectionFund from 2021-22 onwards.
- 3.2.5 The actual impact of a 1% reduction in Tax Base is estimated at a loss in funding of £750,000.

Pension Revaluations

- 3.2.6 Over the medium term there is a planned revaluation of the Police Pension Fund and the Local Government Pension Fund. The last revaluations saw the employers' contribution for Police pensions rise by 6.8% to 31.0% and the employer's contribution for police staff rise by 3.1% to 16.5%.
- 3.2.7 Current estimates are that the employers rate for the police pensions will rise again, to as much as 40% and the staff LGPS pension employers rate rise from 16.5% to a potential worse case of 25%. So far, a 1% increase has been estimated to come into effect in 2023-24 for the LGPS, with a net 3.5% increase in police pensions in 2025-26.
- 3.2.8 The full impact of the McCloud case on public sector pensions is still being implemented, however the Treasury has provided assurance that the full cost this will be met by Government.

Uplift Grant

3.2.9 The Home Office is providing grant funding for all of the costs associated with the recruitment of additional officers (pay, uniform, premises, vehicles, support services). This core funding will be rolled into core police grant moving forward. The Chief Constable has been very proactive ensuring that Nottinghamshire continues to achieved its target ahead one year ahead of the national target.

Efficiencies

3.2.10 The CSR assumes £100m p.a. in efficiency savings for the service. This means that the Force needs to identify and deliver savings on an ongoing basis. The Annual Budget report details the organisations achievement in this respect; currently the trend is that achievement is well above the apportionment of the national target set by government, and this continues to be the expectation in the medium term

4. Risks and Robustness

- 4.1 In general terms the biggest risk is having insufficient funding to meet expenditure requirements. This can lead to perverse/inefficient outcomes, such as Police Officers carrying out staff roles.
- 4.2 Historically, Nottinghamshire has been underfunded from Police Grant. Since the current formula came into place in 2005-06 Nottinghamshire has had significant amounts of funding withheld in a floor mechanism that protected overfunded forces from experiencing significant cuts in their funding. The consequence of which is that Nottinghamshire has always had to make do with less, does not have cash rich reserves and was already financially stretched when austerity hit.
- 4.3 Nottinghamshire is approximately 2/3rds funded by police grant and 1/3rd by precept. Which during austerity meant we were hit the hardest financially compared to others who are 30-50% grant funded. These forces were still able to receive increased funding from precepts whilst grant was either cut or static. This gearing affect continues to be a risk that we have to manage and work within.
- 4.4 The Funding Formula Review is now being reviewed by the Home Office, although the precise outcome for Notts and any implementation date is unknown. It is not however expected in this parliamentary period.
- 4.5 Under this current funding formula Nottinghamshire has had at least £10m per annum withheld in grant funding and at one point as high as £18m.

Reserves and Balances

4.6 The consequence of the underfunding of police grant and the gearing effect of grant to precept, has meant that Nottinghamshire has never been "cash rich". Its level of reserves has always been lower quartile.

Despite this, when opportunities have arisen, we have acted proactively. For example, efficiencies delivered ahead of schedule or greater than expected were transferred to reserves to fund transformation, redundancies and revenue overspends. This is an effective use of reserves for one-off funding to reduce the total revenue base budget going forward.

4.7 Nottinghamshire holds a general reserve of £7.075m. The £0.075m relates to a requirement under regional collaboration. The £7.0m has increased from £3mup to 2010 and currently represents 2.8% of our net revenue expenditure (NRE), although a review of the reserves position during the year is expected to release funds from other areas of reserves to increase this percentage.

The policy is that this reserve should not ever fall below 2% of NRE, as the Home Office require a 1% contribution of NRE to any request for specific grant. The Home Office have set a maximum that it expects forces to hold of 5%. To achieve this maximum limit would require and additional contribution of £5.4m.

- 4.8 Nottinghamshire holds earmarked reserves which have been increasing over recent years to fund capital projects, the 3-year settlement along with the achievement of a prolonged trend delivering a well-managed budget containing significant amounts of direct revenue financing is likely to result in some earmarked reserves being reduced. This will be reviewed by the CFO as part of the closure of accounts for the 2021-22 accounts.
- 4.9 The Government has made it very clear that it does not expect any force or local authority to hold significant levels of reserves. We are demonstrating we only hold increased levels of reserves for very short periods of time for major capital projects.
- 4.10 Capital receipts are utilised to fund short life assets in the capital programme as this is more beneficial to the future revenue budgets. Capital grant has now ceased from 2022-23 and is now incorporated into revenue grant which offers more flexibility.

5. Strategy Assumptions

The strategy is built based on a number of assumptions as detailed below:

Core Funding

- **Core grant**. It is assumed that there is an increase to core grant funding in line with CSR increases, delivered by Council Tax increases.
- **Precept**. It has been assumed for the base position that precept will increases by £10 each year in line with the CSR.
- Tax Base. An addition of 1% per annum.

Net Revenue Expenditure

- **Pay.** It has been assumed that police officer pay will increase by 2.0% in 2022-23, 3.5% in 2023-24 and 2.5% thereafter. The same has been assumed for police staff pay.
- Pensions. It has been assumed that all new officers and staff will auto enroll to the respective pension schemes. The next triennial valuation for the police pension is due in 2022-23 and a similar date for the police staff pension scheme. It is likely that the employer's contribution will change and probably upwards. This has not been factored into the assumptions at this stage.
- **Non-Pay**. Inflation is currently running at over 5% and is expected to persist over the short term. However, we have shown over achievement (£3.4m) against the local allocation (£1.8m) of the national efficiency target (£100m) that we will be required to deliver, which will help off-set the higher-than-expected inflation position going forward.

APPENDIX A(i)

Net Revenue Expenditure (NRE)

Net Revenue Estimate as at January 2021										
	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £	2026-27 £m					
Pay	198.6	206.5	213.2	220.0	226.6					
Pay award	2.0%	3.5%	2.5%	2.5%	2.5%					
Non pay	70.9	69.7	70.4	72.2	74.0					
Non Pay inflation	2% inflation 10% HO IT inflation 3-10% utilities & fuel	2% inflation 10% HO IT inflation 3-10% utilities & fuel	2% inflation 10% HO IT inflation 3-10% utilities & fuel	2% inflation 10% HO IT inflation 3-10% utilities & fuel	2% inflation 10% HO IT inflation3- 10% utilities & fuel					
Income	(15.5)	(15.8)	(16.1)	(16.4)	(16.8)					
Specific Grants (incl Uplift)	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)					
Use of Reserves	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)					
TOTAL NRE	247.7	<u>257.1</u>	<u>265.2</u>	<u>273.6</u>	281.7					

APPENDIX A(ii)

Core Funding

Core Funding estimate as at January 2022									
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £	2026-27 £m			
Precept		83.3	87.8	92.0	94.8	97.6			
£10 to 23-24 then 2% i	ncrease								
Tax base increase		1.92%	1.5%	1.0%	1.0%	1.0%			
Collection Fund - surp	olus/(Deficit)	0.8	0.0	0.0	0.0	0.0			
Core Grant (inc. u	plift)	153.5	158.3	161.0	161.0	161.0			
Council Tax Legac	Су	9.7	9.7	9.7	9.7	9.7			
Reserves		(0.4)	(0.4)	(0.4)	(0.4)	(0.4)			
Core Funding available	219.6	233.2	243.4	248.7	251.5	254.1			



Nottinghamshire Office of the Police & Crime Commissioner

Capital Strategy

2022-23 to 2026-27



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Capital Strategy

Section A Introduction

1. Purpose

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.

The Capital Strategy is a key document for the Police and Crime Commissioner (Commissioner) and Nottinghamshire Police and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provides an overview of how associated risk is managed and the implicationsfor future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.

Throughout this document the term Group is used to refer to the activities of both the Commissioner and the Force. The PCC owns all assets whilst the Chief Constable is responsible for day to day operational use and management.

2. Scope

This Capital Strategy includes all capital expenditure and capital investment decisions for the Group. It sets out the long term context in which decisions are made with reference to the life of projects/assets.

3. Capital Expenditure - Definition

Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset. Fixed assets are tangible or intangible assets that yield benefits to the Group generally for a period of more than one year, e.g. land and buildings, IT, business change programmes, equipment and vehicles. This is in contrast to revenue expenditure, which is spending on the day to day running costs of services, such as employee costs and supplies and services.

The capital programme is the Group's plan of capital works for future years, including details on the funding of the schemes.

Capital expenditure is a major cost and as a result it is necessary to ensure that key programmes of work requiring capital expenditure have been properly idenified, evaluated and prioritised.

4. Capital vs Treasury Management Investments

Treasury Management investment activity covers those investments, which arise from the Groups cash flows and debt management activity, and ultimately represent balances, which need to be invested until the cash is required for use in the course of business.

For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Annual Treasury Management Strategy Statement.

The CIPFA Treasury Management Code recognises that some local authorities are entitled to make investments for policy reasons outside of normal treasury management activity. These may include service and commercial investments. However, like all police forces, the Group does not have a General Power of Competence, which gives councils the 'power' to do anything an individual can do provided it is not prohibited by other legislation. As such, the Group is prevented from entering into commercial investment activities.

5. Links to other Corporate Strategies and Plans

The Commissioner produces her Police and Crime Plan (Make Notts Safe Plan) every four years, whichis refreshed annually and the Chief Constable produces a Force Management Statement.

To support these overarching documents a number of interrelated strategies and plans are in place, such as the Medium Term Financial Strategy, Capital Strategy, Medium Term Capital Plan, Asset Management Plan, Treasury Management and Annual Investment Strategy, and People Strategy/Workforce Plan.

The operation of these strategies and plans is underpinned by the Code of Corporate Governance which includes Contract Procedure Rules and Financial Regulations. Procedure manuals are considered best practice at Force level.

Capital resources should be directed to those programmes and projects that optimise the achievement of these outcomes. The following processes are designed to ensure this happens.

Section B Developing a Capital Programme

6. The Capital Budget Setting Process

6.1 Introduction

At any given time the Force is committed to rolling medium term revenue & capital plans, that usually extend for 4 years and beyond. The plans are drawn up, reassessed and extended annually. If required these are re-prioritised to enable the Force to achieve the aims and objectives, established in the Commissioner's Police and Crime Plan and commitment to support national drivers, such as the National Policing Vision.

Key focuses of the Capital Programme:

- To ensure the property estate remains fit for purpose, identifying opportunities to streamline assets and develop the estate infrastructure; maintaining core sites, improving core training facilities and progressing the Asset Management Plan.
- To ensure provision is made for IT & Business Change Technology to maintain and develop the existing infrastructure and invest in the core technologies required to provide innovative digital policing services.
- The maintenance and replacement of other core assets where necessary, (e.g. vehicles and communication infrastructure).
- Ensure future delivery of targets in relation to 'net zero', in particular those relating to the greening of the fleet by 2030 and reducing building co2 emissions by 2032.

The plans acknowledge the constrained financial position of the Force and maximise both the available financial resources and the capacity that the Force has to manage change projects.

The Capital Plan provides the Force infrastructure and major assets through capital investment, enabling the Force to strengthen and streamline core assets and systems, and provides the framework for delivering innovative policing with a lower resource profile.

6.2 Force Collaboration and Wider Sector Engagement

Although the Group has its own Capital Strategy and Medium Term Capital Plan, the natural drivers that encourage national, local and regional forces to collaborate, such as cost and resource sharing, along with structured collaborations and national plans, can have a significant influence on local decision making.

One of the focal points therefore of the Capital Strategy is to acknowledge regional and national partnership working, both with other Forces and in the wider context of engagement with other Emergency Services, Local Authorities and the Crown Prosecution Service, to improve overall service to the public.

Wherever possible and subject to the usual risk assessment process, the Group will look to expand the number of capital schemes, which are completed on a partnership basis, and continually look for areas where joint projects can be implemented, in support of this initiative.

6.3 The Capital Budget Setting Process and Timetable Overview

For any particular budget setting year, the process for the Group starts during the summer of the preceding year with the Force Corporate Development Department and other key Stakeholder Groups. The assessment of any proposed changes to budgets, investment requirements and other ideas from the Stakeholder Groups should be assessed covering the key criteria such as:

- Achievement of high level agreed Local, Regional or National outcomes.
- Maintenance of the essential infrastructure.
- Development of improved capability.
- Adjustments to existing prioritised plans/projects.
- Rationalisation & modernisation of estates.
- Carbon management & Health and Safety.
- Invest to save schemes.

Based on an agreed timetable, Business Cases for consideration will be submitted into Force Corporate Development Department for both the Group and collaborations in order that a joined up approach is made to capital investment.

A de-minimis capital expenditure level of £0.02m is currently in place and must be adhered to.

Capital resources will fund new IT systems where the cost is over £0.250m (below this amount will be considered if grant funded). All system upgrades will be funded by revenue.

Over the autumn, the business cases will be subjected to the Force's Prioritisation Matrix, this provides a score for the project that considers key factors (e.g. statutory need, police and crime plan, risk) in assessing the importance of the bid. The bids will then be presented to and extensively reviewed by the Futures Board, before being scrutinised and recommended by the Chief Officer Team.

Business case prioritisation is achieved by initially applying an agreed Force Prioritisation Matrix to the bid. The matrix reflects the Chief Constables Force commitment, operational priorities, risk profile, benefits and costs and provides an indicative score for each business case.

The Matrix will be adjusted, if required, prior to submission of business cases to reflect any changes to force prioritisation.

The Prioritisation Matrix score is subject to extensive review by Chief Officers and senior staff over the course of the budget process, to ensure prioritisation is effective and that any appeals are given due consideration.

Typically, a costed draft Capital Plan will then be presented to the Commissioner late autumn, providing views on affordability and potential funding issues and options.

A final version of the Capital Plan and Programme will be presented to the Commissioner in the following February for approval, reflecting the known funding position and any further developmental work on the plan.

The formal Commissioner approval, agrees the capital budget for the following year, and acknowledges the intention for planning purposes of the remaining years of the Capital Plan. Until this approval is given spending cannot commence unless this relates to the continuation of a multi-year scheme.

6.4 Identifying Capital Expenditure/Investment Requirements

The need for a capital scheme will typically be identified through one or more of the following processes:-

- Senior Stakeholders will submit business cases that support delivery of local, Force, Regional or National Objectives. These plans must be sponsored by a member of the Chief Constables Management Team (CCMT) and must identify the requirement, rational, deliverables, benefits, links to Force and/or PCC Priorities, and costs in terms of both capital investment and on-going revenue consequences.
- Reviews of existing capital projects will identify that budget variances are likely to occur and that either more or less funding is likely to be required. Full rationales are required to justify variances and are submitted as per service delivery bids above.
- The other key strategies will inform the capital strategy and a capital scheme bid may arise from that, for example the Asset Management Plan, which rationalises and develops the operational buildings and estates, and may require, either sale or purchase or redevelopment of an element of the estate. This plan itself needs to have a long term view (30+ years) of each site that the Force occupies as informed by the building condition surveys undertaken.

Where investment needs are identified these are reported in a business case (on a standardised form) and submitted into the budget setting process (6.3).

6.5 Business Case and Prioritisation

A standard template should be used for all business cases. This should be completed in detail for projects with a duration of less than 1 year as well as initial year of multi-year schemes. Start dates, project duration and revenue implications should be clearly identified.

Payments for capital schemes often occur over many years, depending on the size and complexity of the project. Therefore, estimated payment patterns are calculated for each project so that the expected capital expenditure per month/year is known. This is called a cash flow projection or budget profiling.

The approval of a rolling multi-year capital programme assists the Group stakeholders in a number of ways:

- It allows the development of longer term capital plans for service delivery.
- It allows greater flexibility in planning workloads and more certainty for preparation work for future schemes.
- It allows greater integration of the revenue budget and capital programme.
- It also matches the time requirement for scheme planning and implementation since capital schemes can have a considerable initial development phase.

Business case prioritisation is achieved by initially applying an agreed Force Prioritisation Matrix to the bid. The matrix reflects operational priorities, risk profile, benefits and costs.

The Prioritisation Matrix is subject to extensive review by Chief Officers and senior staff over the course of the budget setting process to ensure prioritisation is effective and that any appeals are given due consideration.

Discussions are held with Collaborative Partners to agree, as far as possible, Force prioritisation and understand affordability risks and issues on joint ventures.

6.6 Affordability and Financial Planning

The overall financial position of the Group and therefore the scope for future capital expenditure, must take into consideration the combination of the revenue budget, capital programme as well as the position on reserves.

The revenue Medium Term Financial Plan (MTFP) financial position is influenced by inflation, committed growth requirements, forecast productivity and efficiency savings, assumptions around grant and council tax funding and any other information introduced during the budget process.

The revenue position influences the capital position in terms of potential affordability of support for Direct Revenue Financing (DRF) or debt charges (for external borrowing) whereas the capital bid process influences the revenue position in terms of both revenue consequences of capital programmes and also the requirement to financially support capital investment, either through DRF or external borrowing.

The extent to which the annual revenue budget, through the 4 year forecast, is expected to be able to support the capital programme is a key factor to overall financial planning and is becoming more so as other sources of funding cease to be available. The annual police capital grant has ceased from 2022-23.

The Capital Programme and the Capital Plan will include forecasts on capital expenditure, revenue consequences of capital programmes and the requirement to financially support capital investment, either through direct revenue financing, use of reserves or external borrowing.

6.7 Capital Sustainability

The financial position of the Group has been changing. For many years the Group has benefitted from substantial capital receipt reserves, supported by the sale of operational buildings or from revenue reserves assigned to capital investment.

As we move forward through the next 4 years the picture moves away from funding of the capital programme through use of accumulated receipt reserves and into a position of funding through either direct revenue financing or borrowing for specific projects.

The Group's Strategy is therefore to invest in core infrastructure now that will not only offer overall service improvements to the public, but also maximise revenue savings into the future through more efficient and mobile use of police personnel, enabled by improved Information and Communication Technology systems and other core infrastructure for example, connected vehicle fleet and building assets.

The Group investment strategy will also be influenced by, and take account of national visions for policing, regional and local priorities.

6.8 Approval Process

As indicated, the Commissioner receives the updated Capital Programme supported by a longer term capital plan, in February each year as part of the overall suite of budget reports.

The Commissioner approves the overall borrowing levels at the budget meeting

in February each year as part of the Treasury Management Report. The taking of loans, if required, then becomes an operational decision for the CFO who will decide on the basis of the level of reserves, current and predicted cashflow, and the money market position whether borrowing should be met from internal or external sources.

Once the Commissioner has approved the capital programme, then expenditure can be committed against these approved schemes subject to the normal contract procedure rules and the terms and conditions of funding.

Whether capital projects are funded from grant, contributions, capital allocations or borrowing, the revenue costs must be able to be met from existing revenue budgets or identified (and underwritten) savings or income streams.

Following approval by the Commissioner the capital programme expenditure is then monitored on a regular basis.

Section C Governance

7. Funding Strategy and Capital Policies

This section sets out the Group policies and priorities in relation to funding capital expenditure and investment.

7.1 Government Grant

As indicated above, capital grant has now ceased from 2022-23.

Specific capital grants may be received for agreed capital works undertaken by those regional policing units for which the Group is the lead force or for themselves only.

7.2 Capital Receipts

A capital receipt is an amount of money which is received from the sale of an asset on the fixed asset register. They cannot be spent on revenue items.

These capital receipts, once received, are used to finance short life assets in future capital programmes.

All sale receipts from assets originally purchased by capital funding are to be treated as capital receipts even when below the £0.01m value set by statute.

7.3 Revenue Funding

Recognising that the pool of assets available for sale is declining, Direct Revenue Funding (DRF) is seen as a funding alternative. However, DRF does put pressure on revenue budgets where agreed this is likely to add pressure to any medium-term efficiency requirements. This emphasises the need for a continuous focus on the delivery of efficiencies.

7.4 Prudential Borrowing

Local Authorities, including the Police, can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the Government so the Group needs to ensure it can fund the repayment costs. The Group's Minimum Revenue Provision (MRP) Policy sets out a prudent approach to the amount set aside for the repayment of debt.

Due to the on-going debt charges (i.e. MRP and external interest charges) the CFO will consider external borrowing and any potential alternative source for financing the capital programme.

7.5 Reserves and balances

Unspent capital grant and capital receipt monies can be carried forward in the Balance Sheet until they are required to fund the capital programme.

The Group also uses money held in earmarked revenue reserves to help fund capital expenditure, most notably the Asset Replacement Reserve.

7.6 Third party capital contributions

Occasionally the Group will receive income from a third party (usually another authority) who has agreed to contribute towards an asset (e.g. SARC) that the Group will then own.

7.7 Leasing

The Group may enter into finance leasing agreements to fund capital expenditure. However, a full option appraisal and comparison of other funding sources must be made and the Department must liaise with the Head ofFinance to ensure that this is costed accurately. The CFO's must be satisfied thatleasing provides the best value for money method of funding the scheme and will utilise the Treasury Management Advisors in this, before a recommendation is made to the Commissioner.

Under the Prudential Code finance leasing agreements are counted against the overall borrowing levels when looking at the prudence of the authority's borrowing.

8. Procurement and Value for Money

Procurement is the purchase of goods and services. The Group has a Procurement Department that ensures that all contracts, including those of a capital nature, are legally compliant and best value for money.

It is essential that all procurement activities comply with prevailing regulations and best practice as set out in the Code of Corporate Governance, which includes Contract and Financial Regulations. Guidance on this can be sought from the Procurement team.

The main aim is to hold 'value for money' as a key goal in all procurement activity to optimise the combination of cost and quality.

9. Partnerships and Relationships with other Organisations

Wherever possible and subject to the usual risk assessment process the Group will look to expand the number of capital schemes, which are completed on a partnership basis and continually look for areas where joint projects can be implemented.

Section D Management

10. Management Framework

The Commissioner owns all assets and has given legal consent for the Chief Constable to manage them on a day to day basis, on her behalf.

The Head of Finance collates the information for the capital programme. The capital programme is managed by the project managers and the Head of Finance monitors and reports on the expenditure regularly, to the Chief Constable's CFO and the Force's Management Team who, collectively maintain oversight of planned expenditure.

The relevant Chief Finance Officers are responsible for developing and then implementing the Treasury Management Strategy, including the Annual Investment Strategy, along with the completion of all capital spend and funding related returns completed for central government and other regulatory bodies.

During the budget preparation process the Chief Constable's ManagementTeam take a strategic perspective to the use and allocation of the Group's capital assets in planning capital investment. They receive reports on proposed capital projects and make formal recommendations to the Commissioner, during the development of the capital programme.

Having approved the capital plan and the capital programme in February each year the Commissioner formally holds the Chief Constable to account for delivery of capital projects.

Detailed discussions are held with Collaborative Partners to agree as far as possible Force prioritisation and understand affordability risks and issues on joint ventures.

Once the list of key capital priorities have been identified, in preparing capital project proposals, consideration should be given to the key criteria identified earlier in the year.

11. Individual Project Management

Capital Projects are subject to high levels of scrutiny. This varies dependant on the type of project and may be influenced by size or by the makeup of regional involvement. Each Project will have a Project Manager and potentially a team to implement the project.

Typically projects will have a dedicated Project Board, which, if part of a larger programme may sit under a Programme Board. Programme and Project Boards will have a Senior Responsible Officer or Chair Person.

For those business change programmes where a formal Board has been established, a detailed scheme monitoring report is presented to each Board meeting.

Detailed oversight is further provided through IT Project Management Office, Strategic Estate Groups and Futures Board.

Regional Projects or Programmes may also report into Regional Boards.

12. Monitoring of the Capital Programme

The Head of Finance will submit capital monitoring reports to both Chief Constable's Management Team and the Commissioner on a regular basis throughout the year. These reports will be based on the most recently available financial information. These monitoring reports will show spending to date and compare projected expenditure with the approved capital budget.

For proposed in-year amendments to the capital programme, for new schemes not already included in the medium term capital programme, the department in consultation with the Head of Finance will prepare a business case for submission to the Futures Board and then to the Commissioner for consideration and approval, including details on how the new scheme is to be funded: such as revenue, grants and/or savings from current capital programme. Additional capital funding will only be considered in exceptional circumstances approved by the Commissioner.

Monitoring reports are presented to the Commissioner at either, the Strategic Resources and Performance meeting, or as part of the decision making process if timing of the meeting is not aligned.

13. Performance Management

Clear measurable outcomes should be developed for each capital scheme. After the scheme has been completed, the Chief Constable is required to checkthat outcomes have been achieved.

Post scheme evaluation reviews should be completed by the Group for all schemes over £0.5 million and for strategic capital projects.

Reviews should look at the effectiveness of the whole project in terms of service delivery outcomes, design and construction, timescales being met, expenditure etc. and identify good practice and lessons to be learnt in delivering future projects.

14. Risk Management

Risk is the threat that an event or action will adversely affect the Group's ability to achieve its desired outcomes and to execute its strategies successfully.

Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.

The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.

Each project should maintain its own risk assessments and monitor these throughout the project term. Where significant risks arise these should be evaluated to see ifthey should be escalated to the corporate risk register.

To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.

It is important to identify the appetite for risk by each scheme, especially when investing in complex and costly business change programmes.

The corporate risk register sets out the key risks to the successful delivery of the Group's corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks, or maximise opportunities.

The Group accepts there will be a certain amount of risk inherent in delivering the desired outcomes of Police and Crime Plan and will seek to keep the risk of capital projects to a low level whilst making the most of opportunities for improvement. Where greater risks are identified as necessary to achieve desired outcomes, the Group will seek to mitigate or manage those risks to a tolerable level

The respective Chief Finance Officer's will report on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable conclusions to be reached.

Funding Capacity Risk

This is the risk that identified project costs are either understated or escalate during the project lifecycle, for example if the project scope changes. This risk is mitigated as far as possible by the identified monitoring process and controls.

Credit Risk

This is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot complete the agreed contract. Accordingly, the Group will ensure that robust due diligence procedures cover all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.

Liquidity Risk

This is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. This is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. Our exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Appropriate interventions will occur as early as possible.

Interest Rate Risk

This is the risk that interest rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Interest rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

There is also a risk that external interest rates will rise, after the budget has been set, meaning that actual debt charges are higher than those included in individual business cases and more widely in the revenue budget. This risk will be managed by the Chief Finance Officer who will liaise with external Treasury Management advisors to determine the best time to take new external loans.

Exchange Rate Risk

This is the risk that exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Where relevant, exchange rates will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract renegotiations.

Inflation Risk

This is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Legal and Regulatory Risk

This is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, the Group will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.

Fraud, Error and Corruption Risk

This is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. The Group has a strong ethical culture which is evidenced through our values, principles and appropriate behaviour. This is supported by the national Code of Ethics and detailed policies such as Anti-Fraud and Corruption and Declaration of Interests.

15. Other Considerations

Capital Schemes must comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.



Treasury Management Strategy 2022-27

Incorporating the Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2022-27

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1. INTRODUCTION

1.1 Background

The Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Police and Crime Commissioner's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Commissioner's capital plans. These capital plans provide a guide to borrowing need, and longer term cash flow planning to ensure that the NOPCC can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans. If advantageous debt previously borrowed may be restructured to meet NOPCC risk or cost objectives.

The contribution the treasury management function makes to the organisation is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

The responsible officer for treasury management is the Chief Finance Officer to the Police & Crime Commissioner (CFO). The Chartered Institute of Public Finance and Accountancy (CIPFA) defines Treasury Management as:

The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

1.2 Reporting requirements

The Police and Crime Commissioner (PCC) is required to receive and approve, as a minimum, three main Treasury Management reports each year, which incorporate a variety of polices, estimates and actuals.

- 1. **Prudential and treasury indicators and treasury strategy** (this report) The firstand most important report covers:
 - the capital plans (see also the strategy report), prudential indicators and borrowing plans
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure ischarged to revenue over time)
 - the treasury management strategy, (how the investments and borrowings are tobe organised) including treasury indicators; and an investment strategy (the parameters on how investments are to be managed)

- 2. A mid-year treasury management report This is primarily a progress report and will update the Commissioner on the capital position, amending prudential indicators as necessary. It also monitors whether the treasury activity is meeting the strategy and whether any policies require revision.
- 3. **An annual treasury report** This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actualtreasury operations compared to the estimates within the strategy.

A detailed capital strategy report is also required, this is contained in a separate report.

Scrutiny

The responsibility for scrutiny lies with the Commissioner supported by the Joint Audit and Scrutiny Panel (JASP). The above reports are also reviewed at the Strategic Resources and Performance meetings of the Commissioner.

The values within the strategy have been rounded appropriately, and the extent of rounding is clearly labelled. This rounding will in some cases cause a note to be apparently mathematically incorrect.

1.3 Treasury Management Strategy 2022-27

The strategy covers two main areas:

Capital issues

- capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of NOPCC
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Treasury management consultants

NOPCC uses the Link Group Treasury Services as its external treasury management advisors.

NOPCC recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external advisors. All decisions will be undertaken with regards to all available information, including, but not solely from, our treasury advisers.

NOPCC also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The CFO will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regularreview.

1.5 Training

The CIPFA Code requires that the responsible officer ensures that relevant personnel receive adequate training in treasury management. This especially applies to the Commissioner and members who are responsible for scrutiny. Appropriate training will be provided to the new PCC, any new members of JASP and other responsible officers/staff as soon as practicable and as a minimum within 12 months of starting their role.

The training needs of treasury management officers are also periodically reviewed so they maintain continuous professional development as required by the CIPFA Code of Practice.

2. THE CAPITAL PRUDENTIAL INDICATORS 2022-23 to 2026-27

The Commissioner's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, to give an overview and confirm capital expenditure plans. Full information regarding capital expenditure plans is included within the separate capital strategy report and capital programme report.

2.1 Capital expenditure

This prudential indicator is a summary of the Commissioner's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

The Commissioner is asked to approve the capital expenditure forecasts.

The table below summarises the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in anet financing need.

Table 1 - Capital Expenditure	2021-22 Forecast	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£m	£m	£m	£m	£m	£m
Assets	18.683	5.791	2.044	2.240	2.508	2.600
IS	2.479	1.288	1.182	2.497	0.315	0.112
Fleet	0.735	4.348	2.720	2.854	2.935	2.650
Other	0.000	0.000	0.000	0.000	0.000	0.000
Capital Programme	21.897	11.427	5.946	7.791	5.758	5.362
Financed by:						
Capital Receipts	(1.576)	(3.300)	(0.300)	(1.300)	(1.500)	(0.900)
Capital Grants	(0.199)	0.000	0.000	0.000	0.000	0.000
Capital Contributions	(2.293)	0.000	0.000	0.000	0.000	0.000
Direct Revenue Financing	(4.660)	(4.400)	(1.500)	(0.500)	0.000	0.000
Capital Reserve	(4.661)	0.000	0.000	0.000	0.000	0.000
Net Financing need	8.508	3.727	4.146	5.991	4.258	4.462

2.2 Commissioner's borrowing need (Capital Financing Requirement)

The second prudential indicator is the Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure, which has not yet been financed from either revenue or capital resources. It is essentially a measure of the underlying borrowing need. Any capital expenditure above, which has not immediately been financed, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge, which broadly reduces the borrowing need inline with each asset's life.

The CFR includes any other long term liabilities (e.g. PFI schemes and finance leases). Whilst these increase the CFR, and therefore the borrowing requirement, these types of schemes include a borrowing facility by the provider and so the Commissioner is not required to separately borrow for these schemes.

The Commissioner is asked to approve the CFR projections below:

Table 2 - Capital Financing Requirement (CFR)	2021-22 Forecast £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m
Total CFR	69.987	70.038	70.006	71.227	70.550	69.855
Movement in CFR	5.181	0.051	(0.032)	1.221	(0.676)	(0.695)
Table 3 - Movement in CFR represented by	2021-22 Forecast £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m
Net financing need for the year (above)	8.508	3.727	4.146	5.991	4.258	4.462
Less MRP/VRP and other financing movements	(3.327)	(3.676)	(4.178)	(4.770)	(4.934)	(5.157)
Movement in CFR	5.181	0.051	(0.032)	1.221	(0.676)	(0.695)

2.3 Minimum Revenue Provision (MRP) policy statement

NOPCC is required to pay off an element of the accumulated capital spend each year (the CFR) and make a statutory charge to revenue for the repayment of debt, known as the Minimum Revenue Provision (MRP). The MRP policy sets out how the PCC will pay for capital assets through revenue each year. The PCC is also permitted to make additional Voluntary Revenue Payments (VRP).

A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

The additional provision that has been made to date is shown in the table below:

Table 4 - Additional Revenue Provision	£m
2016-17	0.750
2017-18	0.250
2019-20	0.800
Total Additional Provision	1.800

Ministry of Housing, Communities and Local Government (MHCLG) regulations have been issued, which require the Commissioner to approve an MRP Statement in advance of each year. A variety of options are available to the Commissioner, as long as there is a prudent provision. No changes are proposed from the existing policy.

- The Commissioner is recommended to approve the following MRP Statement for capital expenditure incurred before 1 April 2008, MRP will be based on the Regulatory Method. MRP will be written down over a fixed 50 year period
- For capital expenditure incurred from 1 April 2008, the MRP will be based on the 'Asset Life Method', whereby MRP will be based on the estimated life of the assets in accordance with the regulations.
- For finance leases, an 'MRP equivalent' sum will be paid off each year.

2.4 Core funds and expected investment balances

Investments will be made with reference to the core balances, future cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Table 3 below provides an estimate of the year-end balances for each resource and anticipated day to day cash flow balances.

	2021-22 Forecast £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m
Fund balances/Reserves	19.371	19.020	19.570	21.220	20.870	20.433
Capital Receipts	0.210	3.010	3.010	2.010	0.810	0.210
Provisions	4.160	4.160	4.160	4.160	4.160	4.160
Other	(3.026)	(3.026)	(3.026)	(3.026)	(3.026)	(3.026)
Total Core funds	20.715	23.164	23.714	24.364	22.814	21.777
Working Capital*	(2.889)	(2.889)	(2.889)	(2.889)	(2.889)	(2.889)
(Under)/Over borrowing	(11.218)	(10.578)	(6.096)	(7.690)	(7.216)	(10.851)
Expected Investments	6.608	9.697	14.730	13.786	12.709	8.037

^{*}Working capital balances shown are estimated year-end; these may be higher mid-year

2.5 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Commissioners overall finances.

The Commissioner is requested to approve the following indicators:

2.6 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. This indicator is not a mandatory indicator under the revised code, but it has been reviewed and considered a good indication of the commitment from capital spending.

The estimates of financing costs include current commitments and a reasonable assessment of forthcoming capital proposals.

Ratio	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Forecast	Estimate	Estimate	Estimate	Estimate	Estimate
	2.0%	2.1%	2.2%	2.4%	2.4%	2.5%

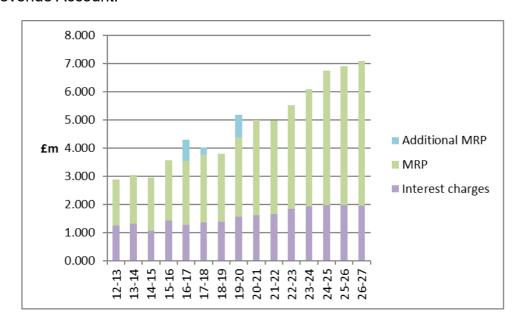
2.7 Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with a reasonable assessment of forthcoming capital proposals, compared to the Commissioners existing approved commitments and current plans. The assumptions are based on current plans, but will invariably include some estimates, such as the level of Government support, which is not published over a three year period. Again, this indicator is not a mandatory indicator under the revised code, but it has been reviewed and considered a good indicator of thecommitment from capital spending.

Incremental impact of capital investment decisions on the band D council tax

Ratio		2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£0.00	£1.20	£2.85	£6.22	£6.82	£7.59

The graph below shows the financial impact of capital expenditure and borrowing on the Revenue Account:



3. BORROWING

The treasury management function ensures that the Commissioners cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the capital expenditure plan summarised in Section 2. This will involve both the organisation of the cash flow, including the arrangement of borrowing as appropriate. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions, and the annual investment strategy.

3.1 Current portfolio position

The Commissioners borrowing portfolio position at March 2021, with forward projections is summarised below. The table shows external debt against the underlying capital borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

	2022-23	2023-24	2024-25	2025-26	2026-27
	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
External Debt					
Debt at 1 April	58.769	59.460	63.910	63.537	63.334
New Borrowing	4.146	5.991	4.258	4.462	0.335
Borrowing Repaid	(3.455)	(1.541)	(4.631)	(4.665)	(4.665)
Movement in Borrowing	0.691	4.450	(0.373)	(0.203)	(4.330)
Debt as at 31 March	59.460	63.910	63.537	63.334	59.004
Capital Financing Requirement	70.038	70.006	71.227	70.550	69.855
Other long term liabilities	0.000	0.000	0.000	0.000	0.000
Underlying Borrowing Need	70.038	70.006	71.227	70.550	69.855
Under/(over) borrowing	10.578	6.096	7.690	7.216	10.851
Investments	9.697	14.730	13.786	12.709	8.037
Net Debt	49.763	49.180	49.751	50.625	50.967

Within the prudential indicators there are a number of key indicators to ensure that activities operate within well defined limits. One of these is that the Commissioner needs to ensure that his gross debt does not (except in the short term), exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021-22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The CFO reports that this prudential indicator will be complied with in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators - Limits to borrowing activity

Operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR.

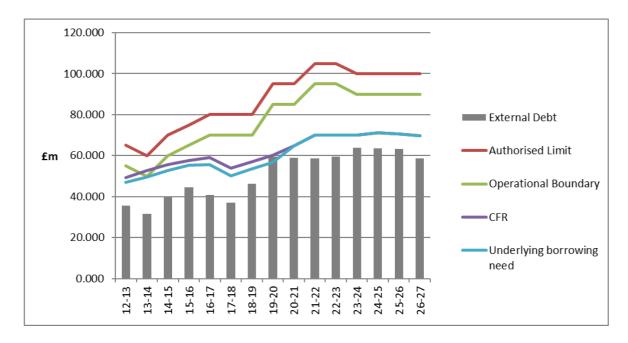
Operational Boundary	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
	70.000	75.000	75.000	75.000	70.000

Authorised limit. A further key prudential indicator representing a control on the maximum level of borrowing. This is a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Commissioner. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

The Commissioner is requested to approve the following authorised limit:

Authorised Limit	2022-23	2022-23	2023-24	2024-25	2025-26
	£m	£m	£m	£m	£m
	75.000	80.000	80.000	80.000	75.000

The graph below shows CFR and debt figures from paragraphs 2.2 and 3.1 compared with relevant borrowing limits.



3.3 Prospects for interest rates and economic background

One of the services provided by Link Asset Services is to assist the Commissioner informulating a view on interest rates. The table below gives the view as at 20th December 2021.

Link Group Interest Ra	te View	20.12.21												
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

PWLB rates have fallen since the previous forecast in September 2021, more so in the longer maturities, and show a speed up in the rate of increase in Bank Rate as inflation is now posing a greater risk. Some of the fall in PWLB rates during December was probably due to window dressing by pension and investment funds preparing their finances for the year and quarter end position for 2021 on 31st December: it was therefore expected that part of those falls would be unwound in the new year.

Additional notes by Link on this forecast table: -

- LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged until it raised it from 0.10% to 0.25% at the MPC meeting of 16th December 2021.

A summary overview of the future path of Bank Rate

- In December 2021, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- With inflation expected to peak between 5 and 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- However, rising gas and electricity prices last October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflationary pressures.
- On the other hand, consumers are sitting on around £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.
- Bank Rate increases beyond May are difficult to forecast as inflation is likely to

- drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next downturn; all rates under 2% are providing stimulus to economic growth.
- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- Covid mutations remain a major potential downside threat in all three years as we ARE likely to get further mutations. How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?
- Purchases of gilts under QE ended in December 2021. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with whatever the new news is.

Investment and borrowing rates

- Investment returns are likely to remain exceptionally low during 2022/23 with negligible movement in year, followed by modest increase in the following two years.
- Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were on negative yields during most of the first half of 20/21.

While the NOPCC will not be able to avoid borrowing to finance new capital expenditure, replace maturing debt or avoid the complete rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022-23 treasury operations. The CFO will monitor interest rates and financial markets and adopt a pragmatic approach to changing circumstances.

Treasury Management limits on activity

There are three debt related treasury activity limits. The purpose of these are to constrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set too restrictively they will impair the opportunities to reduce costs/improve performance.

The indicators are:

- **Upper limits on variable interest rate exposure**. This identifies a maximum limit forvariable interest rates based upon the debt position net of investments
- **Upper limits on fixed interest rate exposure**. This gives a maximum limit on fixed interest rates:
- Maturity structure of borrowing. These gross limits are set to reduce the exposure tolarge fixed rate sums falling due for refinancing.

The Commissioner is requested to approve the following treasury indicators and limits:

Upper Interest rate exposures 202	22-23 to 2026-27						
Limits on fixed interest rates:							
 Debt only 	100%						
 Investments only 	100%						
Limits on variable interest rates							
 Debt only 	50%						
 Investments only 	100%						
Maturity structure of fixed interest rate borrowing 2022-23 to 2026-27							
	Lower	Upper					
Under 12 months	0%	30%					
12 months to 2 years	0%	40%					
2 years to 5 years	0%	50%					
5 years to 10 years	0%	70%					
10 years and above	0%	100%					

3.4 Policy on borrowing in advance of need

NOPCC will not borrow more than, or in advance of its needs purely in order to profit from the investment of extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the security of such funds is considered.

Borrowing in advance will be made within the following constraints:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period
- Would not be more than 18 months in advance of need

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.5 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

Following the decision by the PWLB on 9th October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (no issuance at present but there is potential)

The degree which any of these options proves cheaper than PWLB Certainty Rateis still evolving at the time of writing, but our advisors will keep us informed.

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be compared to the cost of debt repayment (premiums incurred). Also the current treasury position needs due consideration.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and/or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility)

Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Commissioner at the earliest opportunity.

3.6 Borrowing Strategy and Municipal Bond Agency

It is possible that the Municipal Bond Agency, will offer loans to Local Authorities at borrowing rates lower than those offered by the Public Works Loan Board (PWLB). The Commissioner intends to make use of this new source of borrowing if rates are favourable.

4. ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy

The Commissioner's investment policy has regard to the following:-

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Commissioner's investment priorities will be security first, liquidity second and then return.

In accordance with guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the NOPCC has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. This enables diversification and avoids the concentration of risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. Therefore, providing security of investment and minimisation of risk.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets, by actively engaging with advisors to maintain monitoring on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information regarding the banking sector. This allows a robust scrutiny process on investment counterparties.

At the end of the financial year, the CFO will report on the investment activity as part of the Annual Treasury Report.

4.2 Non-financial Investments Policy

Non-financial investments are essentially the purchase of income yielding assets. Currently radio masts are held and income is received for an item that is no longer operational. They were not acquired with that as a purpose and were originally operational. The current income yield is circa £0.090m per annum. There is no intention to purchase these kinds of investments and any divergence from this would be the subject of a future report.

4.3 Creditworthiness Policy

The primary criterion is the security of investments. The liquidity (availability) of the investments is secondary consideration. The yield (return) on the investment is also a further consideration. The Commissioner will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below:
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the prudential indicators covering the maximum principal sums invested.

The CFO will maintain a counterparty list in compliance with the following considerations and will keep the criteria under review. It provides an overall pool of counterparties considered high quality which the Commissioner may use, rather than defining what types of investment instruments are to be used.

The lowest credit rating from the main agencies is used when considering counterparties. It is considered that this does not significantly increase risk but may widen the pool of available counter parties. Credit rating information is supplied by Link Asset Services, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided toofficers almost immediately after they occur and this information is considered before dealing. Link Asset Services updates counterparties who qualify under the list on a daily basis.

Country and sector considerations - Due care will be taken to consider the country, group and sector exposure of the Commissioners investments. In addition to the considerations already outlined the limits in place will apply to a group of companies and sector limits will be monitored regularly for appropriateness. Investments will only be made in sterling.

Use of additional information other than credit ratings - Additional requirements under the Code requires the Commissioner to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings toprovide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specificinvestment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooksand relevant news articles) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to all investments. The time and monetary limits for institutions on the Commissioners counterparty list are as follows: No changes are proposed. The range of values for Low Volatility Net Asset Value Funds and Ultra Short Dated Bond Funds have the lower limit being the 'normal limit' and above this being at the CFO's discretion.

	Fitch Long term Rating (or equivalent)	Money and/or % Limit	Time Limit
Banks 1 higher quality	AAA	£5m	1 yr
Banks 1 medium quality	AA-	£5m	1 yr
Banks 1 medium/lower quality	Α	£4m	6 month
Banks 1 Lower quality	A-	£3m	3 months
Banks 2 – part nationalised	N/A	£5m	1yr
Additional criteria for non UK Banks			
Sovereign	AA-		
Country		25%/£5m	
Banks 3 category – Commissioners banker	N/A	£5m	1 day
(not meeting Banks 1)			
UK Govt - DMADF	AAA	Unlimited	6 months
Local authorities	N/A	£8m	2 yr
Low Volatility Net Asset Value Funds	AAA	£12/15m	liquid
(LVNAV) (Used to be called Enhanced			
money market funds with instant access)			
Ultra Short Dated Bond Funds (Used to be	AAA	£3/5m	liquid
called Enhanced money market funds with			
notice)			

4.4 Country Limits

The Commissioner has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch. For information the UK is currently rated AA-.

Approved Non UK countries for investments as at 11th November 2020 Based on lowest available rating

AAA	AA+	AA	AA-
Australia Denmark Germany Luxembourg Netherlands Norway Singapore Sweden Switzerland	Canada Finland U.S.A.	Abu DhabiFrance	Belgium Hong Kong Qatar UK

4.5 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (up to 12 months). While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations - Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	%
2022-23	0.10%
2023-24	0.10%
2024-25	0.25%
2025-26	0.25%
2026-27	0.25%

Investment treasury indicator and limit - total principal funds invested for greater than 365 days are limited with regard to liquidity requirements and to reduce the need for early redemption.

The Commissioner is requested to approve the treasury indicator and limit:

Maximum principal sums invested > 365 days	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
	5.000	5.000	5.000	5.000	5.000

There are currently no funds invested for greater than 365 days. For cash flow generated balances, the CFO will seek to utilise instant access and notice accounts, LVNAVs and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest. Ultra Short Dated Bond Funds will be used if considered appropriate by the CFO.

4.6 Investment Risk Benchmarking

These benchmarks are simple guides to maximum risk, and may be breached occasionally, depending on circumstances. The purpose of the benchmarks is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Commissioner's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is 0.06% historic risk of default when compared to the whole portfolio.

Liquidity - in respect of this area the Commissioner seeks to maintain:

- Bank overdraft avoided if possible
- Liquid short term deposits of at least £5.0m available on instant access
- Weighted average life benchmark is expected to be 1 month, with amaximum of 6 months

Yield - local measures of yield benchmarks is that investments achieve returns above the 7 day LIBID rate.

5 SECTION 151 OFFICER

5.1 Treasury Management Role

The S151 (responsible) officer is the Chief Financial Officer to the Commissioner and they have responsibility for the following:

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- Submitting regular treasury management policy reports
- Submitting budgets and budget variations
- Receiving and reviewing management information reports
- Reviewing the performance of the treasury management function
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Ensuring the adequacy of internal audit, and liaising with external audit
- Recommending the appointment of external service providers
- Preparation of a capital strategy to include capital expenditure, capital financing and treasury management, with a long term timeframe



Reserves Strategy 2022-2027

Reserves Strategy 2022-2027

Background

- 1. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Act require Precepting authorities (and billing authorities) in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 2. In England and Wales, earmarked reserves remain legally part of the General Reserve, although they are accounted for separately.
- 3. There are other safeguards in place that help to prevent Police & Crime Commissioners over-committing themselves financially. These include:
 - The balanced budget requirement (Local Government Act 1992 s32 and s43).
 - Chief Finance Officers duty to report on the robustness of estimates and adequacy of reserves (Local Government Act 2003 s25) when the Police & Crime Commissioner is considering the budget requirement.
 - Legislative requirement for each Police & Crime Commissioner to make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer has responsibility for the administration of those affairs (section 151 of the Local GovernmentAct 1972).
 - The requirements of the Prudential Code.
 - Auditors will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.
- 4. These requirements are reinforced by section 114 of the Local Government Finance Act 1988, which requires the Chief Finance Officer to report to the Police & Crime Commissioner if there is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Commissioner will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. Indeed, the Police and Crime Commissioner must consider the s114 notice within 21 days and during that period the Force is prohibited from entering into new agreements involving the incurring of expenditure.

- 5. Whilst it is primarily the responsibility of the Police and Crime Commissioner and its Chief Finance Officer to maintain a sound financial position, external auditors will, as part of their wider responsibilities, consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual Police and Crime Commissioners or authorities in general.
- 6. CIPFA's Prudential Code requires the Chief Finance Officers to have full regard to affordability when making recommendations about the Commissioner's future capital programme. Such consideration includes the level of long-term revenue commitments. Indeed, in considering the affordability of its capital plans, the Commissioner is required to consider all of the resources available to it and estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years. There is a requirement for three-year revenue forecasts across the public sector and this is achieved through the Medium Term Financial Strategy (MTFS). The Comprehensive Spending Review (CSR) has provided the Commissioner with details of proposed revenue grant for the next three years, this provides limited ability to focus on the levels of reserves and application of balances and reserves.
- 7. CIPFA and the Local Authority Accounting Panel do not accept that there is a case for introducing a generally acceptable minimum level of reserves. Commissioners on the advice of their Chief Finance Officers should make their own judgements on such matters taking into account all relevant local circumstances. Such circumstances will vary between local policing areas. A well-managed organisation, for example, with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed organisation will ensure that the reserves are not only adequate, but also are necessary.
- 8. The Home Office has now indicated that it expects general reserves to be no more than 5% of the net revenue budget, this would equate to a maximum amount of £12.4m, higher than the actual amount held.
- 9. Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for authorities. However, the government has undertaken to apply this only to individual authorities in the circumstances where the authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty.

10. A level of reserves of 2% or below this would be a indicator that immediate action to maintain the adequacy of reserves is required. This equates to an amount of £4.9m and is lower than the actual level of reserves held.

The Commissioner's Plans

- 11. The Commissioner holds reserves for specific reasons that are included within the Police & Crime Plan and Medium Term Financial Strategy these include:
 - To meet forthcoming events where the precise event, date and amount required for such events cannot accurately be predicted. For example major events that would require the use of the General Reserve. These are detailed within the General Reserve risk assessment provided at Appendix A.
 - To meet forthcoming events where the precise date and amount required cannot be accurately predicted. For example: Night Time Levy where partners are making proposals together on how best to utilise this funding or the Grants and Commissioning Reserve, where proposals on how to utilise this fund from previous years underspends are being considered for Crime Prevention or Victims.
 - To meet forthcoming capital expenditure needs where major capital schemes are being planned and the reserve will be utilised to reduce the cost of borrowing and capital charges to the revenue account.
 - To meet smaller projects such as the Animal Welfare Reserve where expenditure is only met from this reserve and which meets specific policy requirements.
 - A reasonable amount to meet peaks and troughs in revenue expenditure requirements (e.g. redundancy or restructuring costs).

Current Financial Climate

12. The pressures on public finances are continuing with the cost of the pandemic and Brexit being the key drivers affecting the totality of funding for the public sector. At the local level the good news of being able to recruit additional officers remains a challenge and the Force remain ahead of the curve for achieving its recruitment targets. The national target for achieving savings continues and whilst welcomed, it becomes particularly difficult when officer numbers have to be maintained and back office support is now in the lowest quartile making it difficult to find where additional savings to fund the gap can actually be made. Therefore, the ability to retain reserves for unforeseen events and circumstances becomes not only difficult, but something that requires careful consideration.

- 13. We are still facing an uncertain future with the impact of Brexit and how this will impact on public expenditure plans, which are currently unknown.
- 14. Nottinghamshire currently has one of the lowest levels of forecast reserves for policing in England and Wales. Nottinghamshire has never been cash rich and has been underfunded through the current funding mechanism.
- 15. The Medium Term Financial Strategy identifies risks in achieving the required efficiencies to ensure balanced budgets over future years.

Types of Reserve

- 16. When reviewing the medium term financial strategy and preparing the annual budgets the Commissioner should consider the establishment and maintenance of reserves. These can be held for four main purposes:
 - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
 - A contingency to cushion the impact of unexpected events or emergencies this also forms part of general reserves.
 - A means of building up funds often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately, but remain legally part of the general reserve.
 - The economic climate and the safety of the Commissioner's financial assets. This would link closely with the Treasury Management and Prudential Code Strategy this also forms part of general reserves.
- 17. The Commissioner also holds other reserves that arise out of the interaction of legislation and proper accounting practice. These reserves are not resource-backed and cannot be used for any other purpose, are described below:
 - The Pensions Reserve this is a specific accounting mechanism used to reconcile the payments made for the year to various statutory pension schemes.
 - The Revaluation Reserve this is a reserve that records unrealised gains in the value of fixed assets. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or revalued downwards or disposed of.
 - The Capital Adjustment Account this is a specific accounting mechanism used to reconcile the different rates at which assets are

depreciated under proper accounting practice and are financed through the capital controls system.

- The Available-for-Sale Financial Instruments Reserve this is a reserve that records unrealised revaluation gains arising from holding availablefor-sale investments, plus any unrealised losses that have notarisen from impairment of the assets. Currently none.
- The Financial Instruments Adjustment Reserve this is a specific accounting mechanism used to reconcile the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under proper accounting practice and are required by statute to be met from the General Fund. Currently none.
- The Unequal Pay Back Pay Account this is a specific accounting mechanism used to reconcile the different rates at which payments in relation to compensation for previous unequal pay are recognised under proper accounting practice and are required by statute to be met from the general fund. Currently none.
- Collection Fund Adjustment account this is specific to the changes in accounting entries relating to the Collection Fund Accounts held by the Billing Authorities.
- Accumulated Absences Account this account represents the value of outstanding annual leave and time off in lieu as at 31st March each year.
- 18. Other such reserves may be created in future where developments in local authority accounting result in timing differences between the recognition of income and expenditure under proper accounting practice and under statute or regulation, such as the Capital Grants Unapplied.
- 19. In addition the Commissioner will hold a Capital Receipts Reserve. This reserve holds the proceeds from the sale of assets, and can only be used for capital purposes in accordance with the regulations.
- 20. For each earmarked reserve held by the Commissioner there should be a clear protocol setting out:
 - The reason for/purpose of the reserve
 - How and when the reserve can be used
 - Procedures for the reserves management and control

- A process and timescale for review of the reserve to ensure continuing relevance and adequacy
- 21. When establishing reserves, The Commissioner needs to ensure compliance with the Code of Practice on Local Authority Accounting and in particular the need to distinguish between reserves and provisions.

Nottinghamshire Police and Crime Commissioner's Reserves

22. This document aims to provide an over-arching strategy that defines the boundaries within which the approved budget and Medium Term Financial Strategy (MTFS) operate.

The General Reserve

- 23. It has previously been established that General Reserves will be maintained at a level above the **minimum of 2.0% of the total net budget**.
- 24. The purpose of this reserve is to provide for any unexpected expenditure that cannot be managed within existing budgets. Such expenditure would be one-off and resulting from an extraordinary event.
- 25. Similarly the General Reserve should be set at a prudent and not excessive level, as holding high level of reserves can impact on resources and performance. As such the **maximum** level of General Reserves is set at **5.0%** of the total net budget.
- 26. Authorisation to finance such expenditure must be obtained in advance from the Commissioners Chief Finance Officer, in accordance with the scheme of delegation and the protocol between the Chief Constable and the Chief Finance Officer. Where time permits the request should be supported by a business case.
- 27. As the net budget position changes the level of General Reserve must be monitored to ensure the minimum level is maintained.
- 28. **Appendix A** details the elements that make up the current General Reserves balance and the levels of risk attached to each of these elements. These are indicative and may not be exhaustive as new risks emerge. This does not include the Jointly Controlled Operations general reserve of £0.075m.

Earmarked Reserves

- 29. Unlike General Reserves earmarked reserves have been identified for specific areas of expenditure where there are anticipated costs that can only be estimated. It is therefore prudent for the Commissioner to identify such areas of expenditure and set aside amounts that limit future risk exposure (e.g. balancing any budget shortfalls in the MTFS).
- 30. Such expenditure usually arises out of changes in policy or where the organisation is working in collaboration with other forces to provide a specific service (for example Private Finance Initiative (PFI)).
- 31. Expenditure relating to earmarked reserves has to specifically relate to the purpose of the reserve.
- 32. **Appendix B** details for each of the earmarked reserves that existed at the start of the 2022-23 financial year and their estimated balance by during the planning period.

Details of the **earmarked reserves** available for use in 2022-23 and beyond are given below:

Asset Replacement Reserve

- 33. This reserve is reflecting the need to consider the major programme of asset replacement in the capital programme.
- 34. The repayment of reserves previously utilised has provided this reserve with the necessary balances to fund the joint HQ new build and not require a significant level of borrowing which could have resulted in a breach of borrowing limits.
- 35. The Commissioner has also requested a full Asset Strategy to include a detailed stock condition. This will enable the updating of all remaining buildings to a reasonable and comparable standard. And produce the Asset Management Strategy to CIPFA standards.

IT Investment Reserve

36. This reserve is set aside to support investment and replacement of IT hardware and software. IT revenue underspends will be transferred to this reserve to meet future changes in IT investment and in support of a medium term IT Strategy.

PCC Reserve

37. This reserve has now been earmarked for any cost associated with the PCC elections. This is funded from underspends in the OPCC budget.

Grants & Commissioning Reserve

38. It is intended that underspends on the Grants and Commissioning budget are transferred to here to provide for risks associated with grant budget audit losses, in year demand changes, known commissioning liabilities and risks associated with 3rd party commissioning deliverables. There are also potential risks where activities may be required to be wound down, especially as we move towards commissioning grants being for more than a single year.

Private Finance Initiative (PFI) Reserve

- 39. This is a reserve for the equalisation of expenditure over the life of the contract. This is a statutory reserve to maintain.
- 40. This reserve has been reviewed in light of the vehicle PFI contract being terminated. All of this reserve relates to commitments within the Riverside PFI. The transfers and balance will remain until the Building PFI has been terminated.

Property Act Fund Reserve

41. This reserve relates to the value of property sold where the Commissioner can retain the income for use in accordance with the Property Act.

Drugs Fund

42. This minor reserve is received from court awards in drugs cases and is only used for initiatives that reduce drug related crime.

Revenue Grants

43. This reserve combines the small amounts of grant income on completed projects where the grant conditions do not require repayment of any balances. Cumulatively they create a reasonable reserve, because they also include the Road Safety Partnership Reserve. The use of this reserve will be subject to evaluation of any risk of repayment.

Animal Welfare Reserve

44. This reserve was established to support the policy for the welfare of animals specifically police dogs on retirement as working animals. There is a panel which meet with representatives from the Vets and the Force and to approve any claims against this fund. Any approved expenditure relating to on-going welfare as a result of work related injuries can then be paid from this fund. This reserve is for the Animal Welfare Retired Dogs Scheme and is for costs associated with the running of that scheme

Tax Base Reserve

- 45. Due to the timing differences between the Commissioner's budget being approved and the deadline for the Billing Authorities to notify us of the final tax base and any Collection Fund surplus or deficit this fund has been created.
- 46. This reserve will be utilised where the tax base reduces from the estimated figures provided by Billing Authorities to the declaration of the actual tax base, as this would create a shortfall in overall total funding.
- 47. This reserve will also be used to cover the Commissioner's portion of costs associated with the Single Occupier Discount Reviews undertaken periodically across the City and the County.
- 48. Currently, this reserve has a balance equivalent to a 0.5% change on the net revenue budget.

Night Time Levy

- 49. The Commissioner utilises this funding to contribute towards projects that ensure the City Night Time economy runs smoothly and safely (e.g. the work of the Street Pastors/additional policing when required). Decisions on what projects should be funded are made in partnership with the City Council.
- 50. The amount of funding through the levy has reduced significantly over the few years it has operated. There is a full programme of projects to utilise the revenue received, but their delivery has been delayed due to the pandemic.

Allard Reserve

51. To help fund any settlement risks associated with this case which are now likely to be settled by the end of 2022-23.

Jointly Controlled Operations (Regional Collaboration) Revenue Reserve

- 52. There are a growing number of areas where collaborative working is undertaken with other Regional Policing areas. EMSOU is providing collaboration for specialised policing services, such as Major Crime and Forensics. Collaboration has also extended beyond Police Operation Services to include areas such as Legal Services, Procurement and Learning and Development.
- 53. The Police & Crime Commissioners meet to make decisions and agree further areas of collaboration. They would also approve the use of this reserve for regional activity.
- 54. The reserve exists to finance activities of regional collaboration above those identified within the annual budget.

Procedure for Use of Reserves

- 55. The use of reserves requires approval of the Commissioner.
- 56. All requests should be supported by a business case unless there is an approved process for use, such as the Animal Welfare Reserve, or the request relates to a specific project relating to retained grant.
- 57. On occasion where an urgent request is being made this should comply with the protocol between the Chief Constable and the Chief Finance Officer to the Commissioner.

Monitoring

- 58. The level of reserves is kept under continuous review. The Commissioner receives reports on the levels of reserves as part of the Medium Term Financial Strategy updates together with the Annual Reserves Strategy in January and the out-turn position in June each year.
- 59. The current level of forecast reserves remains low and if called upon will impact negatively on the financial viability of the force. Reserves and their usage is carefully planned for and monitored throughout the year.

Risk Analysis

- 60. Any recommendations that change the planned use of reserves reported within the Annual Budget and Precept Reports will take account of the need for operational policing balanced against the need to retain prudent levels of reserves.
- 61. However, there are significant risks, which affect the level of reserves to be maintained, and it is for this reason that a minimum level of 2% (with a maximum level of 5%) of total net budget has been set for the General Reserve.
- 62. The significant risks that have been considered, but which will also be kept under review are:
 - Significant unforeseen legal costs.
 - The Budget Monitoring Report highlights potential risks in being able to achieve the required efficiencies and savings during the year.
 - The ability to seek financial assistance from the Home Office for major incidents has been diminished and can no longer be relied upon.
 - The need to finance organisational change and redundancies may have an impact on the use of reserves, although this is also reducing in value

and risk.

- The ability to recover significant overspends by divisions and departments would be very difficult in the current financial climate.
- The instability of the Financial Markets means that the investments we make with balances are currently exposed to greater risk. This is negated by the Treasury Management Strategy, but returns on investment have reduced significantly.
- Should the Commissioner and Force be faced with two or more of the above issues at the same time then the reserves may be needed in full.
- Once utilised reserves have limited scope for replenishment. This is usually achieved through a budget underspend.
- There may be exceptional levels of insurance claims that cannot be met from the usual provisions.
- Home Office interest in the levels of reserves held by Police Forces. Nottinghamshire is in the lower quartile in regard to this so any requirement by Central Government affecting reserves would impact on us greater.

CFO Opinion

It is my opinion that the current level of forecast reserves is adequate but will require budget management to ensure that they do not reduce towards the minimum level. It is right and prudent to use appropriate reserves to finance significant capital expenditure, thereby reducing the future impact on revenue budgets.

STRATEGY REVIEW

This strategy will be reviewed annually and the Police & Crime Commissioners approval sought.

During the year changes may occur in the MTFS, which affect this strategy. Such changes will be monitored by the Chief Finance Officer and reported to the Commissioner for approval.

Mark Kimberley (CPFA)
Chief Finance Officer

Appendix A

Reserves Risk Assessment 2022-23

GENERAL RESERVE

RISK	IMPACT	PROBABILITY	Min £m	Max £m	Proposed for 2022-23 £m
Major Incident(s) Unbudgeted expenditure	Any amount under 1% of net budget is to be funded by the authority. Amounts over 1% of net budget are subject to Home Office application approval.	Single Incident amounting to less than 1% of net budget. MEDIUM Multiple incidents amounting to over 1% of net budget. MEDIUM Single incident amounting to over 1% of net budget. LOW	2.1	4.2	4.2
Major Disaster (e.g. natural)	Operation policing affected and resources diverted. (e.g. through building being inaccessible and disaster recovery plan being auctioned).	LOW	0.5	1.0	0.5
Partnership Support	Funding supported by partners continues to reduce. This has also been risk assessed as part of the budget assumptions.	Medium to HIGH	0.5	4.6	1.2
Counterparty failure	If invested balances were tied up in a process to recovery there would be an immediate impact on the revenue budget (possibly short term).	LOW	0.5	5.0	0.5
Employment Tribunals and other litigation	Direct impact on revenue budgets.	LOW	0.1	0.5	0.1
Insurance	Emerging Risks and late reported claims.	To date no claims of this type have affected the accounts. Low to MEDIUM	0.3	0.7	0.5
TOTAL					7.0

Appendix B

Earmarked Reserves Assessment

RISK/RESERVE	PURPOSE	HOW AND WHEN IT WILL BE USED	Management andcontrol	Review
Asset Replacement	To provide funding towards major items of capital expenditure.	In conjunction with the Treasury Management Strategy.	Chief Finance Officer	On-going
IT Investment	To provide for investment innew IT software and hardware	In line with the IT strategy	Chief Finance Officer	On-going
PCC Reserve	Underspends on PCC budgets are transferred here,to meet future needs.	To be utilised to meet unforeseen expenditure.	Chie Finance Officer	On-going
Grants & Commissioning	To collate small balances within revenue accounts toprovide funding for this growing area of work.	To meet specific requirements relating to Grants and Commissioning.	Chief Finance Officer	On-going
PFI reserve	To fund irregular PFI related expenditure on a smoothed basis. And to provide for end of life PFI expenditure.	Life cycle equalisation for Riverside PFI.	Chief Finance Officer	Annually
Property Act Fund	Income from the sale of property act confiscations.	To be determined by the Police & Crime Commissioner.	Chief Finance Officer &Commissioner	Annually

Drug Fund	For use in reducing drugrelated crime.	To be determined by the Police & Crime Commissioner and CC.	Chief Finance Officer &Commissioner	Annually
Revenue Grants	Balances on grants not required to be repaid. Use needs to be risk assessed.	To be determined by the Police & Crime Commissioner.	Drawn upon when repayment has beenrequested	Annually
Animal Welfare	To set up a scheme for animal welfare on retirementas working animals.	Scheme established.	Chief Finance Officer	During the year
Tax Base	To iron out fluctuations caused between estimatedand actual tax base data.	Every 3-4 years to finance Single Person Discount Review.	Chief Finance Officer	Annually
Night Time Levy	To be utilised to address Night Time economy issuesof crime and safety.	To be determined by the Police & Crime Commissioner.	Chief Finance Officer &Commissioner	Annually
Target Hardening	To be utilised when activityhas been identified and agreed with partners.	Once schemes have been approved.	Chief Finance Officer	Annually
Allard	Once legitimate claims aremade and approved for payment	On receipt of claims.	Chief Finance Officer	During the year
TPAC Collisions	To provide for fluctuations inclaims made against the Force.	On receipt of claims abovethe budgeted.	Chief Finance Officer	Annually
JCO – Jointly Controlled Operations	To provide for unexpected expenditure relating to regional collaboration.	Decisions relating to the useof this fund follow the regional governance arrangements.	EM meeting of the Commissioner's	Annually
TOTAL				

Appendix C (i)

Tables to show the use of General Reserves

	2022	2022-23 20		2022-23 20		23-24 202		-25	2025-26	
	Opening Balance £m	Usein year £m	Opening Balance £m	Use in year £m	Opening Balance £m	Use in year £m	01.04.24 balance £m	Use in year £m	Opening Balance £m	Use in year £m
General Reserve	7.000	0	7.000	0	7.000	0	7.000	0	7.000	0
EMSOU general reserve	0.075	0	0.075	0	0.075	0	0.075	0	0.075	0
% of net budget	2.8%		2.7%		2.7%		2.6%		2.6%	

The policy in relation to General Reserves is that they will be no less than 2% of the Net Budget and no more than 5% of the net budget.

Appendix C (ii)

Tables to show the estimated use of Earmarked Reserves

		2022-23		202	23-24	202	24-25	202	25-26	202	26-27
Earmarked Reserves	01.04.22 Estimated balance £m	Use in year £m	31.03.23 balance £m	Use in year £m	31.03.24 balance £m	Use in year £m	31.03.25 balance £m	Use in year £m	31.03.26 balance £m	Use in year £m	31.03.27 balance £m
Asset Replacement	0.000		0.000	2.100	2.100	2.000	4.1000		4.100		4.100
IT Investment	0.206		0.206		0.206		0.206		0.206		0.206
PCC Reserve	0.748		0.748		0.748		0.748		0.748		0.748
Grants & Commissioning	6.355	(0.400)	5.955	(0.400)	5.555	(0.400)	5.155	(0.400)	4.755	(0.400)	4.355
PFI	0.087		0.087		0.087		0.087		0.087	(0.087)	0.000
Property Act Fund	0.049		0.049		0.049		0.049		0.049		0.049
Drug Fund	0.027		0.027		0.027		0.027		0.027		0.027
Revenue Grants	1.453		1.453		1.453		1.453		1.453		1.453
Animal welfare	0.019		0.019		0.019		0.019		0.019		0.019
Tax Base	1.678		1.678		1.678		1.678		1.678		1.678
Night Time Levy	0.301	0.049	0.350	0.050	0.400	0.050	0.450	0.050	0.500	0.050	0.550
Target Hardening	0.073		0.073		0.073		0.073		0.073		0.073
Allard	1.200		1.200	(1.200)	0.000		0.000	_	0.000		0.000
TPAC Collisions	0.100		0.100		0.100		0.100		0.100		0.100
Joint Ops	1.054		1.054		1.054		1.054		1.054		1.054
TOTAL	13.350	(0.351)	12.999	0.550	13.549	1.650	15.199	(0.350)	14.849	(0.437)	14.412

For Information	
Public/Non-Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	28 th February 2022
Report of:	Deputy Chief Constable
Report Author:	Amanda Froggatt, Corporate Development Manager
	Laura Spinks, Force Assurance Lead
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
Other Contacts:	n/a
Agenda Item:	12

Audit and Inspection Update

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel (JASP) with an update on progress against recommendations arising from audits and inspections which have taken place during Quarter 4, 2021/22.
- 1.2 To inform the Board of the schedule of planned audits and inspections.

2. Recommendations

- 2.1 That the Panel notes the status of audits and inspections carried out over the last quarter.
- 2.2 That the Panel reviews Appendices 1 and 2 and, if required, request further detail which will be reported at the next meeting.

3. Reasons for Recommendations

- 3.1 To enable the Panel to fulfil its scrutiny obligations with regard to Nottinghamshire Police and its response to audits and inspections.
- 3.2 To provide the Panel with greater scrutiny opportunities and to reach more informed decisions.
- 3.3 To provide the Panel with the opportunity to shape the focus and data inputs for future HMICFRS inspections.

4. Summary of Key Points

Audit and Inspection Action Updates

4.1 The actions referred to in this report are the result of recommendations made by Nottinghamshire Police's internal auditors and external inspectorates, including HMICFRS.

- 4.2 There are currently 0 actions which have exceeded their target date.
- 4.3 The Workforce Planning Audit was scheduled for 31st January 2022. However it was agreed that because the 2020/21 audit received a satisfactory audit opinion after the 2021/22 audit plan was approved, it would be removed from the 2021/22 plan.
- 4.3 Recent and forthcoming Inspections are detailed below.

Table 1.1: Recent Inspection Activity

Date of Inspection	Inspection Area	Date Report Received	Final Grading	Status
July 2021 – March 2022	Integrated PEEL			Draft report due spring 2022

Table 1.2: Forthcoming HMICFRS Inspections

Date of Inspection	Inspection Area	Status
w/c 14 th February 2022	Serious Youth Violence – Thematic Inspection	Document return completed, timetable agreed.
28 th and 1 st March 2022	Serious Organised Crime (part of Integrated PEEL Inspection)	Two days of reality testing. Timetable being prepared.
w/c 14 th March 2022 (2 weeks)	Counter Corruption and Vetting (part of Integrated PEEL Inspection)	Document return completed, Timetable being prepared.
w/c 28 th March 2022	Online Child Sexual Exploitation	Document return and questionnaire completed, Timetable being prepared.

Table 1.3: Publications

Date of Publication	Inspection Area	Status
September 2021	Police Response to Violence Against Women and Girls	Report sent out for management updates.
November 2021	A Joint Thematic Inspection of the CJ Journey for Individuals with Mental Health Needs and Disorders	Report sent out for management update.
July 2021	A Joint Thematic Inspection of Police and Crown Prosecution Service's Response to Rape	Evidence submitted to HMICFRS for review. Awaiting feedback.

Table 1.4: Super complaints

Date of Publication	Title	Status
December 2020	Safe to Share Report on Liberty and Southall Black Sisters' super complaint on policing and immigration status	Force/OPCC response agreed, and updates sent to HMICFRS.
May 2021	Modern Slavery: Hestia super complaint on the police response to victims of modern slavery	Force/OPCC response agreed, and updates sent to NPCC.
August 2021	A Duty to Protect: Police use of protective measures in case involving violence against women and girls	Recommendations sent out for management update.

4.5 Recent and Forthcoming Audits

Table 1.5: Recent Audit Activity

Date of Audit	Auditable Area	Date Report Received	Final Grading	Status
Sept 2021	MFSS Transfer	October 2021	Not applicable – audit purpose to provide assurance to OPCC re progress status of the project.	Final report received. No recommendations.
January 2022	Business Change	Awaited	-	-
January 2022	Health and Safety	Awaited	-	-
January 2022	Information Assurance	Awaited	-	-
January 2022	GDPR	Awaited	-	-

Table 1.6: Forthcoming Audits

Date of Audit	Auditable Area	Status	
March 2022	Procurement	N/A	
March 2022	Partnerships	N/A	
March 2022	Seized Property	N/A	

5. Financial Implications and Budget Provision

5.1 If financial implications arise from recommendations raised from audits, inspections and reviews, these implications are considered accordingly. Where an action cannot be delivered within budget provision, approval will be sought through the appropriate means.

6. Human Resources Implications

6.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case-by-case basis.

7. Equality Implications

7.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case-by-case basis.

8. Risk Management

8.1 Some current actions involve the completion of formal reviews of specific business areas. It is possible that some or all of these reviews will identify and evaluate significant risks, which will then be incorporated into the Force's risk management process.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 Any policy implications will be subject to current policy development process.

10. Changes in Legislation or other Legal Considerations

10.1 There are no direct legal implications as a result of this report.

11. Details of outcome of consultation

- 11.1 Following receipt of a final audit or inspection report a member of the Governance and Planning team consults with the appropriate Lead Officer and other stakeholders to plan appropriate actions in response to each relevant recommendation, or to agree a suitable closing comment where no action is deemed necessary.
- 11.2 All planned actions are added to the action planning system, 4Action, for management and review until completion.

12. Appendices

- 12.1 Appendix A Overview of all ongoing actions and recommendations from Inspections
- 12.2 Appendix B Overview of all ongoing recommendations from internal audits.
- 12.3 Appendix C Overview of all ongoing recommendations arising from Super Complaints.

HMICFRS INSPECTIONS CURRENT OVERVIEW

Green- Recommendation is agreed closure by HMICFRS

Date	Title	Recommendation	Total Number Outstanding	Total Number Closed		
27 Nov 2018	Policing and mental health: Picking up the pieces STATUS – Evidence submitted to HMICFRS for review. HMICFRS have agreed to close the outstanding recommendation.					
		By December 2019, forces should develop a better understanding of their mental health data, and the nature and scale of their demand. All forces should carry out a 24-hour snapshot exercise, using the new national definition of mental ill-health in Recommendation 1. This would help them see where their mental health demand is concentrated and identify any gaps in their data. The NPCC mental health lead should set out how the data was collected during the Welsh forces snapshot exercise. This exercise will help forces understand the strain on the service by assessing the combination of demand and workload. This will then help forces when establishing and reporting mental health demand in their force management statements (FMSs). The force took part in the NPCC '24-hour snapshot' exercise and have forwarded the substantial information to the NPCC for the national analysis.	0	4		

10 Apr 2019	Stalking and harassment: An inspection of Sussex Police commissioned by the police and crime commissioner, and an update on national recommendations in HMICFRS 2017 report STATUS – Evidence submitted to HMICFRS for review. One recommendation remains open as HMICFRS will reality test when they undertake their Integrated PEEL Inspection in September 2021.				
	Within six months chief constables should ensure that forces record stalking or harassment crimes if appropriate when victims report breaches of orders. Within six months the National Police Chiefs Council (NPCC) lead and the CPS lead should consider whether they can do more to inform police officers and lawyers of the importance of treating breaches of orders as evidence of a wider pattern of offending, and when and in what circumstances officers and lawyers should treat this as further evidence of stalking or harassment. Within six months chief constables should ensure that officers are aware of the importance of treating breaches of orders, where appropriate, as part of a wider pattern of offending, and ensure that force policy and guidance help officers to do this.	1	0		
17 Jul 2019	The poor relation: The police and Crown Prosecution Service's response to crimes agains STATUS – Evidence submitted to HMICFRS for review. One recommendation remains ope				
	Within six months, chief constables should make sure that victim needs assessments are always completed.	1	2		

27 Sep 2019	Shining a light on betrayal: Abuse of position for a sexual purpose STATUS – Evidence submitted to HMICFRS for review. The force will undergo a Counter Corruption and Vetting					
	Inspection in November 2021. The 2 recommendations listed below will be reality tested to ensure compliance.					
	By April 2020, all forces that haven't yet done so should make sure they have enough people with the right skills to look proactively for intelligence about those abusing their position for a sexual purpose, and to successfully complete their investigations into those identified.	2	1			
	By April 2020, all forces that haven't yet done so should:					
	 record corruption using the national corruption categories; produce a comprehensive annual counter-corruption strategic threat assessment, in line with the authorised professional practice; and 					
	 establish regular links between their counter-corruption units and those agencies and organisations who support vulnerable people. 					
	Where forces are yet to implement an effective ICT monitoring system that allows them to monitor desktop and handheld devices, they should do so as soon as reasonably practicable.					
	By September 2020, all forces should have completed a review of their use of encrypted apps on police ICT systems to understand the risk they pose and to take any necessary steps to mitigate that risk.					

27 Feb 2020	National Child Protection Inspections 2019 thematic report				
	STATUS – Evidence submitted to HMICFRS for review. Two recommendations remain open, these recommendations will be reality tested when they undertake their Integrated PEEL Inspection in September 2021.				
	We recommend that chief constables should review performance management and quality assurance approaches to ensure that assessments of the nature and quality of decision making are routinely made. The purpose of this would be to reinforce the understanding that compliance with policy or process is only one part of effective practice.	2	0		
	We recommend that chief constables take steps to reduce the unnecessary criminalisation of children. Such steps could include (but don't need to be limited to) considering fully a child's circumstances when making decisions; more effective use of legislation to discontinue prosecutions not in the public (or child's) interest; the development of more effective non-criminal justice pathways for vulnerable children who commit lower level crimes.				
28 Feb 2020	A joint thematic inspection of Integrated Offender Management STATUS – Evidence submitted to HMICFRS for review. The reason three recommendations HMICFRS will reality test these when they undertake their Integrated PEEL Inspection in So				
	Ensure that service users are kept informed, as much as possible, about the benefits of inclusion in IOM, the support available and the monitoring and information-sharing ramifications of IOM supervision.	3	1		
	Analyse training needs and ensure that all staff receive sufficient training to enable them to fulfil their duties. Training in public protection, safeguarding children and working with vulnerable adults should be prioritised.				

	Improve the quality and accuracy of recording in IOM cases, in particular, the activity relating to public protection.		
9 Mar 2020	Counter-terrorism policing - An inspection of the police's contribution to the government's STATUS – HMICFRS have agreed closure of this recommendation.	Prevent progr	ramme
	With immediate effect, the NPCC national Prevent lead and each force Prevent lead should review the attendance of force representatives at Channel panels so that police are correctly represented by decision makers who can contribution to managing risks.	0	1
9 Jul 2020	A call for help - Police contact management through call handling and control rooms in 201 STATUS - HMICFRS have agreed closure of these recommendations.	8/19	
	Each force where there is a vulnerability desk should make sure it makes a positive contribution to initial safeguarding.	0	6
	We expect forces to invest in technology and work with each other to use it to form and improve their risk assessments, their responses, and their investigations to keep the public safe.		
	Each force must be sure it effectively assesses risk at all points of contact with the public and the community. It should use the assessment to provide the best response to vulnerability.		
	Each force should make sure its staff are trained, supervised, and supported to be effective in their control room roles; this should include assessing the effect of better terms and conditions and career development for control room staff.		

	We expect all forces to make sure the service they provide to their communities meets the new national contact management strategy. We will assess how well forces adopt the contact management principles and practise as well as the learning standards during PEEL 2020/21.				
	We expect to see all 43 forces get involved in the single online home and the social media projects.				
21 Jul 2020	PEEL spotlight report: The Hard Yards Police to police collaboration STATUS – Awaiting methodology from National Police Chiefs Council, College of Policing delayed due to Covid-19.	and Home Offi	ce - currently		
	If forces haven't yet implemented an effective system to track the benefits of their collaborations, they should use the methodology created by the NPCC, the College of Policing and the Home Office.	1	0		
15 Jul 2020	Roads Policing: Not optional - An inspection of roads policing in England and Wales STATUS – Evidence submitted to HMICFRS for review. Awaiting feedback.				
	With immediate effect, in forces where Operation Snap (the provision of digital video footage by the public) has been adopted, chief constables should make sure that it has enough resources and process to support its efficient and effective use.	2	1		

	 With immediate effect, chief constables should make sure: their force has enough analytical capability (including that provided by road safety partnerships) to identify risks and threats on the road network within their force area. that information shared by partners relating to road safety is used effectively to reduce those risks and threats; and There is evaluation of road safety initiatives to establish their effectiveness. 		
8 Dec 2020	Pre-charge bail and released under investigation: striking a balance STATUS – Evidence submitted to HMICFRS for review. Awaiting feedback.		
	Forces should record whether a suspect is on bail or RUI on the MG3 form when it is submitted to the CPS. This should be regularly checked and any changes in bail or RUI provided to the CPS. The CPS should work with the police to ensure this information is provided.	2	0
	Forces should develop processes and systems to clearly show whether suspects are on bail or RUI. This will help them to better understand the risk a suspect pose to victims and the wider community and will help to increase safeguarding.		
10 Feb 2021	An inspection of the effectiveness of the Regional Organised Crime Units STATUS – Evidence submitted to HMICFRS for review. Awaiting feedback.		
	By February 2022, the chief constable with the lead for SOC in each region, with the chief officers of the affected forces, should ensure that a chief officer is appointed with responsibility for each ROCU, as far as practicable working autonomously of force responsibilities.	2	0

	By February 2022, chief officers responsible for SOC in each region, with the chief officers of the affected forces, should make sure that systems are in place for senior investigating officers (SIOs) and lead responsible officers (LROs) to work effectively together.		
26 Feb 2021	 of police powers - A spotlight on stop and search and the use of foresubmitted to HMICFRS for review. Awaiting feedback.	ce	
	With immediate effect, forces should ensure that all stop and search records include detail of the self-defined ethnicity of the subject. When this information is refused by the subject, the officer-defined ethnicity code should be recorded.	6	0
	By July 2021, forces should ensure they have effective external scrutiny processes in place in relation to the use of force. Forces should take account of feedback and update the scrutiny panel and the community on the action taken.		
	By July 2021, forces should ensure they have effective internal monitoring processes on the use of force, to help them to identify and understand disproportionate use, explain the reasons, and implement any necessary improvement action.		

 ensure that officers record on body-worn video (when this is available) the entirety of all stop and search encounters, including traffic stops and use of force incidents. have a structured process for regularly reviewing and monitoring internally a sufficient sample of body-worn video footage to identify and disseminate learning and hold officers to account when behaviour falls below acceptable standards; and provide external scrutiny panel members with access to samples of body- worn video footage showing stop and search encounters and use of force incidents, taking account of the safeguards in the College of Policing's Authorised Professional Practice. 	
By July 2021, forces should ensure that communication skills are reinforced as part of the programme of continuing professional development for officers and staff, and that supervisors are supported to routinely and frequently debrief officers on these skills using bodyworn video footage.	
By July 2022, forces should ensure that officers and staff have effective communication skills, in line with the National Policing Guidelines on Conflict Management. This should be in addition to existing training on conflict Management and de-escalation.	

11 Mar 2021	Getting the balance right? An inspection of how effectively the police deal with protests					
	STATUS – Evidence submitted to HMICFRS for review. Awaiting feedback.					
		By 31 December 2021, chief constables should ensure that their forces have sufficiently robust governance arrangements in place to secure consistent, effective debrief processes for protest policing. Such arrangements should ensure that:	2	0		
		 forces give adequate consideration to debriefing all protest- related policing operations; 				
		the extent of any debrief is proportionate to the scale of the operation; the extent of any debrief is proportionate to the scale of the operation; the extent of any debrief is proportionate to the scale of the operation; the extent of any debrief is proportionate to the scale of the operation; the extent of any debrief is proportionate to the scale of the operation; the extent of any debrief is proportionate to the scale of the operation; the extent of any debrief is proportionate to the scale of the operation; the extent of any debrief is proportionate to the scale of the operation; the extent of the operation of the operation of the operation; the extent of the operation of the operation; the extent of the operation of t				
		a national post-event learning review form is prepared after every debrief; and				
		 the form is signed off by a gold commander prior to submission to the National Police Co-ordination Centre. 				
		By 31 December 2021, chief constables should make sure that their legal services teams subscribe to the College of Policing Knowledge Hub's Association of Police Lawyers Group.				
20 Apr 2021	Policing the pandemi	c – The police response to the coronavirus pandemic during 2020				
	STATUS – Evidence s	submitted to HMICFRS for review. Awaiting feedback.				
		Overall scale and impact of changes	5	0		
		Within 6 months, forces must assess the sustainability of any temporary measures introduced during the pandemic that change the way they work. They must understand positive, negative and unintended consequences of the scale and impact of the changes before determining if any of these new ways of working should continue.				

		T	
	Custody records		
	Forces must immediately make sure that they clearly and consistently record on custody records information about how/when/if detainees are informed of the temporary changes to how they can exercise their rights to legal advice and representation. The record must make clear how any consents are obtained about the way in which legal advice and representation are provided.		
	Test, track and trace		
	Forces must immediately put in place a policy to make sure that they follow the guidance and self-isolation directions when members of the workforce come into contact with someone with coronavirus symptoms.		
	Legislation and guidance		
	Forces must immediately make sure they can manage their responses to changes in coronavirus-related legislation. They must ensure frontline officers and staff are clear about the difference between legislation and guidance.		
	Managing registered sex offenders		
	Forces must immediately make sure that officers understand and correctly implement the guidance for managing registered sex offenders during the pandemic.		
20 Apr 2021	Custody Services in a Covid-19 Environment		
	STATUS – Evidence being collected by force.		
	To help clarify the custody information that forces collect and use, we recommend that forces:	2	0
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	 Track the numbers of detainees with, or suspected of having, COVID-19. Record and monitor the length of time detainees remain in police custody, and any additional detention times due to waits for virtual remand hearings. Record and monitor the way in which detainees receive their legal rights, and how many receive them by virtual means rather than a solicitor attending in person and Record the use of bail and released under investigation, and assess any increases in pre-charge bail The police service should evaluate the advantages and disadvantages of using virtual remand hearings. It should use this information to help the wider Criminal Justice System learn from its experience and develop better working arrangements that meet the needs of justice and make best use of public money. 		
23 Jun 2021	ce – Review of Policing Domestic Abuse During the Pandemic submitted to HMICFRS for review. Awaiting feedback.		
	 We recommend that if forces continue to adopt online contact methods in respect of victims of domestic abuse, they should immediately introduce an effective supervision and monitoring framework. The framework should assess the suitability of such contact methods, ensuring that victim needs are at the forefront of decisions around their use and appropriate onward action is taken in all cases. We recommend that forces immediately review their use of a telephone-based initial response to any domestic abuse incidents and crimes and ensure that it is in accordance with the strict parameters set out by the College of Policing. 	3	0

	We recommend that forces immediately review their capacity to provide ongoing support and safeguarding to victims of domestic abuse whose case is awaiting trial at court. This should: • ensure there are sufficient resources available to maintain contact with victims to keep them up to date with the progress of their case; and • enable the offer of access to specialist support services as well as opportunities to address concerns victims may have regarding continuing to support a prosecution through the delays.		
	 We recommend that all forces immediately review their use of outcome 15, outcome 16 and evidence-led prosecutions. This is to ensure that: domestic abuse investigations guarantee all attempts to engage victims are explored, and that all possible lines of evidence are considered so that in all cases the best possible outcomes for victims are achieved; there is regular and effective supervision of investigations that supports the above point to be achieved; and the use of outcomes 15 and 16 is appropriate, and the reasons for using them, including auditable evidence of victim engagement, are clearly recorded. 		
16 Jul 2021	A Joint Thematic Inspection of Police and Crown Prosecution Service's Response to Rape STATUS – Evidence submitted to HMICFRS for review. Awaiting feedback.		
	Immediately, police forces should ensure information on the protected characteristics of rape victims is accurately and consistently recorded.	8	0

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Police forces and support services should work together at a local level to better understand each other's roles. A co-ordinated approach will help make sure that all available and bespoke wrap-around support is offered to the victim throughout every stage of the case. The input of victims and their experiences should play a central role in shaping the support offered.		
Police forces should collect data to record the different stages when, and reasons why, a victim may withdraw support for a case. The Home Office should review the available outcome codes so that the data gathered can help target necessary remedial action and improve victim care.		
Immediately, police forces and Crown Prosecution Service Areas should work together at a local level to prioritise action to improve the effectiveness of case strategies and action plans, with rigorous target and review dates and a clear escalation and performance management process. The National Police Chiefs Council lead for adult sexual offences and the Crown Prosecution Service lead should provide a national framework to help embed this activity.		
Police forces and the Crown Prosecution Service should work together at a local level to introduce appropriate ways to build a cohesive and seamless approach. This should improve relationships, communication and understanding of the roles of each organisation. As a minimum, the following should be included:		
 considering early investigative advice in every case and recording reasons for not seeking it; the investigator and the reviewing prosecutor including their direct telephone and email contact details in all written communication; in cases referred to the Crown Prosecution Service, a face-to-face meeting (virtual or in person) between the investigator and prosecutor before deciding to take no further action; and 		

a clear escalation pathway available to both the police and the Crown Prosecution Service in cases where the parties don't agree with decisions, subject to regular reviews to check effectiveness, and local results.	
The police and the Crown Prosecution Service, in consultation with commissioned and non-commissioned services and advocates, and victims, should review the current process for communicating to victims the fact that a decision to take no further action has been made. They should implement any changes needed so that these difficult messages are conveyed in a timely way that best suits the victims' needs.	
Police forces should ensure investigators understand that victims are entitled to have police decisions not to charge reviewed under the Victims' Right to Review scheme and should periodically review levels of take-up.	
The College of Policing and NPCC lead for adult sexual offences should work together to review the current training on rape, including the Specialist Sexual Assault Investigators Development Programme (SSAIDP), to make sure that there is appropriate training available to build capability and expertise. This should promote continuous professional development and provide investigators with the right skills and knowledge to deal with reports of rape. Forces should then publish annual SSAIDP attendance figures, and information on their numbers of current qualified RASSO investigators.	

5 Aug 2021	A Review of Fraud –	Fime to Choose			
	STATUS – Evidence submitted to HMICFRS for review. Awaiting feedback.				
		By 30 September 2021, chief constables should make sure that their forces are following the guidance issued by the National Police Chiefs' Council Coordinator for Economic Crime about fraud-related calls for service.	2	0	
		By 31 October 2021, chief constables should adopt the guidance issued in September 2019 by the National Police Chiefs' Council Coordinator for Economic Crime that was aimed at improving the information given to victims when reporting fraud.			
17 Sep 2021	·	iolence against Women and Girls being collected by force.			
		Immediate review of use of outcomes 15 and 16 in violence against women and girls offences -	3	0	
		By December 2022, the NPCC VAWG National Delivery Lead should develop and disseminate to forces a process for consistent and robust monitoring of outcomes 15 and 16 violence against women and girls cases. This should require, as a minimum, inspector-level sign-off of these cases and that evidence on the rationale for these closure codes is recorded and auditable.			
		All chief constables should immediately review and ensure that there are consistently high standards in their forces' responses to violence against women and girls and should be supported in doing so by national standards and data.			

By March 2022, chief constables should establish and publish an action plan that specifies in detail what steps the force will take to improve and standardise its approach to responding to violence against women and girls offences, with the aim of ensuring policies, processes and practices are effective, actively monitored and managed, and meeting national standards.	
This should include (but is not limited to) improving and standardising: the use of police powers to protect women, including arrest of perpetrators, use of pre-charge bail, the applications for orders (where appropriate) and processes for responding to breaches of non-molestation and other orders;	
the use of the Domestic Violence Disclosure Scheme; the capability of generalist and specialist staff to respond to violence against women and girls offences effectively, including consistent understanding of newer offences (such as coercive control);	
the identification and management of high-harm violent offenders against women and girls (in partnership with other organisations);	
the identification and protection of the most at-risk victims of violence against women and girls' offences (in partnership with other organisations); and	
internal and public communications related to violence against women and girls to ensure that messages raise awareness of the risk and emphasise the seriousness of the issues	
Structures and funding should be put in place to make sure victims receive tailored and consistent support	

	By March 2022, all police forces should ensure information on the protected characteristics of victims is accurately and consistently recorded				
17 Nov 2021	A joint thematic inspection of the criminal justice journey for individuals with mental health needs and disorders STATUS – Evidence being collected by force.				
	Assure themselves that risks, and vulnerabilities are properly identified during risk assessment processes, particularly for voluntary attendees. They must ensure that risks are appropriately managed, including referrals to Healthcare Partners, Liaison and Diversion and the use of appropriate adults.	4	0		
	Review the availability, prevalence, and sophistication of mental health flagging, to enhance this where possible, and to consider what meaningful and usable data can be produced from this.				
	Dip sample (outcome code) OC10 and OC12 cases to assess the standard and consistency of decision making and use this to determine any training or briefing requirements and the need for any ongoing oversight.				
	Ensure that all dedicated investigative staff receive training on vulnerability which includes inputs on responding to the needs of vulnerable suspects (as well as victims). This should be incorporated within detective training courses.				

INTERNAL Audits 2020/22

Green- Recommendation is agreed closure by Mazars

Date	Title	Recommendations	Total Number Outstanding	Total Number Closed
March 2020	Balance Transfers 20	020		
		The Force should ensure that reconciliations are carried out on balances that they transfer to provide assurance that this has been correctly completed. The Force should ensure that a reconciliation is carried out over all balances following the final transfer to provide assurance that the transfer has been correctly completed and agrees to closing balances and signed accounts.	1	0
March 2020	Health and Safety Fo	ollow-up 2020		
		The Force should ensure that for all incidents where an investigation has been completed, that full and complete records are maintained.	2	4
		The Force should formalise what mandatory H&S training is required by staff, including any additional training for Supervisors, Managers and the Chief Officer team and whether annual refresher training is required. The Force should investigate whether the "Required" mark within NCALT allows for the ability to set deadlines for training courses and automatically send emails to the relevant individual and their line manager if deadlines are missed.		
		The Force needs to designate whose responsibility it is to have overall oversight of training, including monitoring of completion and production of performance information around training. It then needs to be ensured that this individual has the resources in place to effectively monitor this.		

The Force should update the Health and Safety Policy, ensuring that all information contained within is accurate. The Policy should also be amended to include the additional information not currently included as detailed. The Policy should be reviewed on a regular basis or when there are significant changes to operations or legislation.	
The Force should produce a formal Accident/Incident reporting procedure. The procedure should provide guidance on what should be reported and how this should be reported by staff. The procedure should be clearly communicated to staff via the intranet.	
The Force should develop an appropriate Performance Information Framework that provides the Departmental Health & Safety Committees with the relevant detailed information. An overall summary of performance across each Department should be available for the main Health & Safety Committee to have an overall view of key data. Key data that should be available for review should include, but not be limited to: - No. of accidents and incidents; - No. of accident and incident investigations and no. of outstanding investigations; - Timeliness of accidents and incidents reported; - No. of accidents and incidents reported to HSE under RIDDOR; - No. of days lost due to Health & Safety accidents; - Trend analysis of the above over a time period; - Any available benchmarking data (to indicate any under reporting etc.); - Current levels of Health & Safety training.	
The Force should investigate whether it is possible to automatically notify the Health and Safety advisors when a new accident or near miss is reported using Oracle.	

April 2020	Programme Management 2020				
		Force should ensure that all individuals are identified for roles in PMO process on most recent version of Business Case. Force should ensure that documents produced as part of PMO process adhere to the guidance provided.	1	1	
		Force should clarify the roles within the two functions to ensure that there is no duplication of roles between Corporate Development and Information Services in relation to Project Management. Force should consider formally providing time in Futures Board agendas to discuss Programme Board activity, to ensure that all Business Change Activity is captured, reviewed and monitored regularly			
Sep 2020	Victims' Code of Pra	ectice September 2020			
		The Force should produce a condensed guide to the Victims' Code of Practice, following the introduction of the currently proposed changes.	0	15	
		The proposed changes to the Victims' Code of Practice should be included within the action plan that is monitored by the Victim and Witness Assurance Group.			
		For the Force to better understand the satisfaction levels of the true population of victims, stratified sampling should be adopted for the surveys undertaken.			
		The results of the surveys can then be analysed to a greater degree by the Force, including: the level of satisfaction dependent on whether a positive / negative outcome was achieved for the victim; and the trends in satisfaction for different crime types.			

Officers should be reminded when inputting victims records directly onto Niche that they complete all required information including the preferred method.	
All victims should be offered the Victim Information Pack and / or referred to the information available on the Nottinghamshire Police Victim website.	
In the instance that the victims have refused, the reason should be recorded on the Niche system.	
A regime should be established as to how non-completion of the training module will be escalated by the Force.	
This could entail the Force sending regular updates to line managers details of any Staff or Officers with training that is overdue for completion.	
A VCOP working sheet should be maintained for each crime involving a victim. Officers should be reminded of the importance of creating and maintaining this working sheet which should be evidenced within the CRMS system.	
Needs assessments should be carried out with all victims of crime and results recorded on the VCOP working sheet within the CRMS system. This should then be used based on support provision for the victim going forward.	
Preferred method and frequency of contact should be established with each victim of crime to enable them to be updated on the progress of any ongoing investigation. This should be recorded on the VCOP working sheet and evidence maintained that updates have been provided in line with this request.	

All victims should be provided with the Victim Information Pack and/ or referred to the information available on the Nottinghamshire Police Victim website. Confirmation that this information has been communicated should be recorded on the VCOP working sheet within the CRMS.	
The VIP should be reviewed and updated to incorporate the Right to Review procedure and information in respect of participation of the Restorative Justice scheme. (It is noted that a further update to the Victims Code of Practice is due later in 2015 and therefore it is practical to await this publication prior to review and update of the VIP to establish whether any additional areas require review).	
Officer should be reminded that when updates are provided to victims, acknowledgement should be made within the 'aggrieved updated' box on CRMS to support the update and prevent this being escalated via performance management information.	
The offer/ availability of a VPS to the victim should be clearly communicated and acknowledged within the VCOP working sheet.	
All victims should be considered for referral to specialist agencies in addition to Victim Support Services. These referrals and proactive support provided should be evidenced within the CRMS system.	
The reports detailing officers who are still to complete the Victims Code training should be located and the system for following up non-compliance established to provide assurance that all officers are adequately trained to ensure compliance with the Code.	
Consideration should be given to documenting guidance for officers in respect of a list of available specialist organisations/ agencies to which victims can be referred to.	

Oct 2020	Estates Management Oct 2020		
	The Force should ensure that where SR's are cancelled that these SR's do not feature in the KPI calculation and instead these are reported as a separate figure to identify the number of SR's cancelled each month.	2	1
	The Force should report non-compliance with the SLA in the month in which the SR falls non-compliant, as opposed to amending historical data. This will ensure that the Force maintain the integrity of the reported KPI figure.		
	The Force should consider introducing a suite of KPI's to effectively monitor the performance of the Estates and Facilities department. Furthermore, this will enable the Force to demonstrate value for money from the expenditure incurred in fulfilling the Capital and Planned Maintenance Programme. This suite of KPI's could include but not be limited to: • Monitoring the number of repairs completed right the first time by contractors fulfilling SR's. • Recording and reporting on the results of customer satisfaction surveys for newly built and recently refurbished projects and; Monitoring the number of SR's received for newly built or recently refurbished projects in the first 12 months following completion.		
Dec 2020	Workforce Planning December 2020		
	The Force should review and update the People Strategy to include reporting arrangements and decision making processes in place at the Force; a defined individual responsible for the People Strategy; and version control of the document.	1	1

	The Force should complete a mapping exercise and produce a centralised log of all key roles across the organisation, including non-leadership roles which are critical or specialised. Alongside this exercise, individuals who are able to assume these positions in a short / medium / long term capacity should be highlighted.		
Jan 2021	Information Assurance Follow up January 2021		
	As intended, the organisation must continue to liaise with NPRIMT in relation to the GIRR accreditation process.	2	0
	Now the force has more resource in place to manage the process the force should look in the longer term to return to an annual cycle of compliance rather than an ongoing pattern of late submissions for the variety of frameworks it is required to comply with.		
Feb 2021	Core Financial Systems Assurance Feb 2021		
	OPCC should ensure that the most up-to-date version of the Financial Regulations is published on their website.	7	0
	The Force should request that MFSS update sales invoice credit notes and adjustments process maps to include version control and approval processes.		
	Force should update sales invoice process documentation and guidance notes in respect of changes in working practices.		
	The Force should request that MFSS ensure that all reconciliations are completed and reviewed in a timely manner, i.e. within 1 month of the period end.		

	The Force should liaise with MFSS to ensure that historic balances are investigated and cleared down.		
	The Force should request that MFSS seek authorisation from the Force when looking to perform reconciliations more than one month after the period end and provide notice to the Force when this is unarranged.		
	The Force should liaise with MFSS to ensure that appropriate performance data is provided with regards payroll processing. This could include, but not be limited to, the following: • No. of overpayments & underpayments. • Value of overpayments & underpayments. • Reasons for overpayment i.e. late notification by Force, MFSS missed SLA for Payroll Date etc.		
Feb 2021	Debt Management Feb 2021		
	The Force should ensure that Debt Recovery processes are documented in a policy/procedure document. This requires the Force to liaise with MFSS to ensure that processes are aligned.	0	2
	The Force should ensure that MFSS issue invoices with the correct payment terms, therefore ensuring that recovery actions are being carried out at the correct timings.		
Feb 2021	GDPR Follow Up February 2021		
	The Force should continue to address the issues identified in the ICO Controllers Checklist, all of which are currently in some level of implementation.	2	0

		We continue to support the approach being taken to complete the Information Asset Register and this should look to be completed as soon as is practical and how the National Enabling Programme progresses.		
Feb 2021	Risk Management Fe	ebruary 2021		
		The Force should ensure that a thorough review is undertaken of the Force's departmental risk registers, so that risks that are inherent to the respective departments are identified and scored, as stated in the Risk Management Strategy.	6	0
		The Force should ensure that all risk registers are complete and that appropriate controls are recorded for each risk. Where risk controls are being reviewed, the Force should ensure that interim controls are in place to effectively monitor risks.		
		The Force should ensure that further training is provided to users of the JCAD system to ensure that appropriate controls are recorded to mitigate the risks identified.		
		Furthermore, the Force should ensure that where controls and other risk mitigation activities are inserted that these are reviewed to ensure their appropriateness.		
		The Force could consider introducing guidance for users of the JCAD system, which outlines a criterion for controls and risk mitigation activities.		

Feb 2021	The Force should ensure the meeting minutes for the Organisational Risk, Learning, Standards, and Integrity Board are well documented, which demonstrate at the very least: • The registers presented; • The risks discussed; and The decisions reached / action plans devised. Seized Property February 2021		
	Policies and Procedures in relation to seized property should be updated to reflect the current adopted process since implementation of Niche in February 2016.	14	0
	Policies and Procedures should be made available for Staff and Officers to view on the intranet.		
	Officers within the Force should be provided with Niche training in relation to the continuity of property management, including the checking in and out of property from temporary storage. Consideration should be made as to how to record the training attendance for all Officers.		
	The Archives and Exhibits team at stores should reject acceptance of any items which do not have a property reference attached.		
	A log should be maintained of instances where property has not been correctly labelled. Through use of this log, individuals responsible for the failures should be held accountable.		
	The Force should regularly perform reconciliations of locations for property that is held against records maintained on the Niche system.		

Where it is identified that property is not in the location stated on Niche, Niche should be updated to reflect that it is in the Officers' possession.	
The Force should review and streamline the C17 form.	
Where a C17 form has not been completed correctly, this should be recorded and referred to the Officer responsible.	
Access to the Temporary Stores should be restricted to only police officers or the Archive & Exhibit Team who require access. Those who do not have a job-related purpose should have their access to these areas removed.	
In the interim period, the Force should consider if audit trail access for individuals entering the stores is available. This data could be analysed to show an inappropriate access.	
The Force should ensure that regular reconciliations of the safe are performed, to highlight any errors/missing items.	
For items of a high value of risk, appropriate action should be taken to escalate the issue and ensure items are located in a timely manner.	
In the instance where property cannot be located appropriate actions should be taken to identify its whereabouts	
Meetings for the RRD working group should be documented and consideration should be made for performance indicators to be introduced	

April 2021	Wellbeing April 2021		
	The Force should ensure that policies, procedures, and guidance notes are reviewed regularly; and, that this is noted in the document control sections even if no updates are made.	0	4
	The Force should ensure that the review of policies, procedures and guidance notes is monitored regularly, either by the Strategic Wellbeing Board or within the HR function.		
	The Force should ensure that data is included in the decision-making process for wellbeing, which will ensure that the need for initiatives can be clearly evidenced.		
	Force should also look at performing data analysis to identify areas of need at a detailed level and assist in providing resources for wellbeing to the areas that could be most impacted or are in the most need.		
	Management information should be produced to demonstrate the impact and delivery of third-party services and internal projects and/or programmes, with this being presented to the relevant governance boards.		
April 2021	Complaints Management April 2021		
	The fix for the system issue should be sought, so that closed complaints can be accurately updated on the Centurion system.	0	6
	OPCC staff should ensure that records are closed on Centurion in a timely manner.		
	The sample testing performed should include review of whether a term of reference was issued to the complainant.		

	The OPCC should ensure that all communication made with complainants are logged and recorded on the Centurion system. The PSD team should communicate to complaint handlers the importance of maintaining complete records for complaints on the Centurion system. This can be approached by both circulating bulletins and informing the team of issues through presentations. The PSD team should perform regular reviews over cases managed outside of schedule 3 to ensure that they are correctly administered.		
September 2021	Firearms Licensing September 2021		
	The Firearms Licensing Process Maps should be updated to include: • It should be clearly noted on the enquiry form whether a home visit, police station interview or digital interview has taken place. • Where a home visit does not take place, it should be ensured that supporting evidence received, such as photographs, are noted as having been received on the enquiry form prior to authorisation. • Where an applicant may be considered as higher risk, the Force should consider delaying the application until a date where home visits can be undertaken.	0	5
	To ensure each firearms license application has the required documentation that has been signed and dated, a quality review should be undertaken on a sample of records on a periodic basis in order to determine the completeness of applicant records. Finding of the quality reviews should be analysed and fed back to relevant staff to ensure lessons are learned from any common or frequent errors.		
	The Force should remind officers that all enquiry forms are to be signed and dated by an authorised signatory. In addition, this should be checked in the data quality review.		

All current procedural guidance documents should be reviewed on an annual basis, and then updated if necessary. A document attributes section should be added to all process documents, detailing the staff member responsible for the content of the document, the date of the last review and the review cycle period.	
Additional key indicators should be implemented. KPIs could include: • Average turnaround times • FEO visits per month • Percentage of renewals completed prior to expiry Targets should be set for KPIs and performance indicator progress against targets should be reported on a monthly or quarterly basis.	

SUPER COMPLAINTS CURRENT OVERVIEW

17 Dec 2020	Safe to share - Report on Liberty and Southall Black Sisters super-complaint on policing at STATUS - Evidence submitted to HMICFRS for review. Awaiting feedback.	nd immigration	status
	Recommendation 1. To chief constables: As an interim measure, pending the outcome of recommendation 2, where officers only have concerns or doubts about a victim's immigration status, we recommend that they immediately stop sharing information on domestic abuse victims with Immigration Enforcement. Instead, police officers should link the victim to a third party that can provide advice and assistance, as set out in recommendation 4 (on the creation of safe reporting pathways). This applies where police officers have doubts about a victim's immigration status, not where they have evidence that an offence has been committed. The College of Policing will immediately develop guidance for the police service to clarify this aspect of practice. Notes to recommendation 1 This recommendation to stop information sharing only applies to victims of domestic abuse. The College of Policing guidance will also clarify the difference between insecure and uncertain status and immigration offending. Any sharing of information should be done in compliance with Information Commissioners Office (ICO) guidance. Third party could include a local or national specialist victim support organisation or another individual/organisation that can act as an intermediary and advocate on the victim's behalf in communications with Immigration Enforcement as required.	4	0
	To chief constables: With reference to recommendation 1, and in consultation/collaboration with local or national specialist organisations, chief constables should		

take steps to ensure that all migrant victims and witnesses of crime are effectively supported through safe reporting pathways to the police and other statutory agencies. They should: • ensure there is a proper policy and practice framework in place for officers to work within; • develop victim and witness support policies that reflect the characteristics of the safeguarding protocol set out in recommendation 3, and: draw on all relevant national guidance with particular reference to the Code of Practice for Victims of Crime and data protection legislation; are developed in partnership with and include pathways to the relevant specialist organisations for supporting victims and witnesses with insecure immigration status; are clear about the circumstances in which information will be shared by police with immigration enforcement; provide clarity about the purpose of sharing information at different points of the pathway; and explicitly recognise the importance of telling victims, witnesses and supporting agencies whether information will be shared with Immigration Enforcement, and if so, when and in what circumstances. • promote understanding among police officers and staff to differentiate between responses to victims of modern slavery/human trafficking and victims of domestic abuse; • promote awareness within their forces of any existing pathways to specialist organisations for supporting victims with insecure immigration status; • ensure the policy and practice framework is adopted by all officers and staff who come into contact with victims of crime who have insecure immigration status; and • promote police engagement in regular outreach community work, as highlighted as good practice in this report.
To chief constables and police and crime commissioners (or equivalents): With reference to recommendation 1, pending the developments

		outlined in other recommendations and in consultation/collaboration with local or national specialist organisations, chief constables and police and crime commissioners should take steps, through the appropriate channels, to promote migrant victims and witnesses confidence in reporting crimes to the police through safe reporting pathways, without fear of prioritised immigration control.		
		To all recipients of recommendations from this investigation: Provide an update to Her Majesty's Chief Inspector of Constabulary on progress in implementing these recommendations within six months of the date of publication of this report.		
26 May 2021	·	per-complaint on the police response to victims of modern slavery submitted to NPCC. Awaiting sign off.		
		To chief constables, and police and crime commissioners Work together to understand the support needs of victims of modern slavery crimes. They should provide appropriate support within their respective remits to augment the national provision so that victims feel safe and empowered to remain involved in any investigations. This should focus on what support should be available before and after National Referral Mechanism (NRM) referral as well as alternative provision available for those declining NRM referral.	2	0
		To chief constables Assure themselves that their resources are being deployed to enable effective investigation of modern slavery offences (which may, for example, involve taking account of high levels of vulnerability and organised crime group involvement). They should assure themselves that their crime allocation processes direct investigations to the most appropriately skilled individuals and teams.		

24 Aug 21	A duty to protect: Police use of protective measures in cases involving violence against women and girls - <u>STATUS</u> – We are collecting evidence from Head of Department				
	Monitoring of recommendations a. Home Office and Ministry of Justice to each provide a report to Her Majesty's Chief Inspector of Constabulary on progress in implementing HMICFRS's recommendations within six months of the date of publication of this report. b. NPCC to collate chief constables' progress in reviewing and, where applicable, implementing their recommendations and report these to Her Majesty's Chief Inspector of Constabulary within six months of the date of publication of this report.	8	0		
	Chief constables should consider what legal support they need to use protective measures (if they don't already have this) and secure this support. The NPCC should consider whether regional or national legal (or other) expertise could be made available, so forces can easily access specialist support and can maximise efficiency and consistency.				
	Chief constables should assure themselves that: a. their officers are fully supported in carrying out their duties to protect all vulnerable domestic abuse victims by: i. ensuring their officers understand the suite of protective measures available (including new measures such as DAPOs); ii. ensuring officers are aware of referral pathways to third-party support organisations which are available to protect vulnerable domestic abuse victims; and iii. ensuring their officers have guidance and support on how to choose the most appropriate response for the situation; and b. governance is in place to monitor the use of all protection orders and to evaluate their effectiveness, including by seeking the views of victims.				
	Chief constables should, until DAPOs replace DVPNs and DVPOs in their force: a. review, and if necessary refresh their policy on DVPNs and DVPOs, and in line with the overarching recommendation: i.				

ensure that there is clear governance and communication to prioritise the effective use of DVPNs and DVPOs, when these are the most appropriate tools to use; ii. monitor their use to ensure they are being used effectively; and b. ensure experience and lessons learned on using DVPN/DVPOs informs the use of DAPOs	
Chief constables should review and if necessary refresh their policy on how the force processes notifications of NMOs, so officers can easily identify if an NMO exists.	
Chief constables should introduce processes to ensure that in all precharge bail cases where bail lapses, the investigator in charge of the case carries out an assessment of the need for pre bail-charge to continue. In those cases where the suspect has not been charged, the decision to extend or terminate bail should be recorded with a rationale.	
Chief constables should ensure data is gathered on the use of voluntary attendance to enable the identification of patterns of its use, particularly in relation to the types of cases, so that voluntary attendance is only used in those cases where it would be an appropriate case management tactic.	
Chief constables, in conjunction with the NPCC lead for bail, should implement processes for managing RUI in line with the letter from the NPCC Lead for Bail Management Portfolio dated 29 January 2019 (Annex F). This is to ensure, as far as is possible, that investigations are conducted efficiently and effectively, thereby supporting both victims of crime and unconvicted suspects.	

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	28 th February 2022
Report of:	Deputy Chief Constable
Report Author: Amanda Froggatt, Corporate Development Manager	
_	Laura Spinks, Force Assurance Lead
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Agenda Item:	13

ASSURANCE MAPPING 2022/23

1. Purpose of the Report

1.1 The purpose of this report is to provide the Joint Audit and Scrutiny Panel (JASP) with a dashboard view of assurance levels against each business area of the force. This approach assesses individual areas against CIPFA Solace governance criteria.

2. Recommendations

2.1 It is recommended that JASP agree that Core Financials, Risk Management, MTFP, Fleet Management, Business Continuity, Environmental Management, custody, Information Services (asset management), Cyber Security, Seized Property (dependent on outcome of the forthcoming audit), OPCC Commissioning, and MINT, are included in the Internal Audit Plan 2022/23, as outlined in Appendix 1.

3. Reasons for Recommendations

3.1 To ensure that the Panel is aware of the internal audit plan for the forthcoming financial year. The use of assurance mapping as a management tool will benefit the Force in terms of seeking continual improvement and mitigating organisational risk.

4. Summary of Key Points

Overview

- 4.1 Assurance refers to any evidence that can provide stakeholders with confidence that an organisation is operating efficiently and effectively to achieve its agreed objectives, and that any risks to achieving objectives are being identified and adequately managed.
- 4.2 The assurance map will be reviewed and updated on an annual basis.

- 4.3 This approach to assurance mapping has been taken to provide a 'dashboard view' of levels of assurance, against indicative controls, set against key departments/areas of the force.
- 4.4 Assurance has been assessed at three levels, referred to as 'lines of defence':
 - The first 'line of defence' is evidenced by internal management controls, including policy, procedure, strategy, process and systems;
 - The second 'line of defence' is evidenced by management scrutiny and oversight, including formal reporting mechanisms and performance reporting;
 - The third 'line of defence' is evidenced by independent oversight provided by internal audit and inspection conducted by HMICFRS and other inspectorates.
- 4.5 Each potential risk has been assessed against each 'line of defence' and given an assurance rating of 'none', 'limited', 'reasonable' or 'substantial'. Please note, where a formal assurance rating has not been provided by the internal auditor or the inspectorate, professional judgement has been applied.

Future application

- 4.6 The scope of this assurance mapping exercise has been limited to key areas business areas namely, Core Financials, Risk Management, MTFP, Fleet Management, Business continuity, Environmental Management, custody, Information Services (asset management), Cyber Security, Seized Property (dependent on forthcoming audit outcome), OPCC Commissioning, MINT, are included in the Internal Audit Plan 2022/23, as outlined in Appendix 1.
- 4.7 Where assurance is judged to be inadequate, the following courses of action will be considered:
 - Review of policy, procedure, strategy and system;
 - Commission audit/review by the Demand and Improvement Team or Peer Review;
 - Commission of internal audit as part of the Internal Audit Plan.

5 Financial Implications and Budget Provision

5.1 There are no financial implications associated with assurance mapping. This exercise is carried out within normal budget provision.

6 Human Resources Implications

6.1 There are no human resource implications associated with assurance mapping.

7 Equality Implications

7.1 There are no equality implications associated with assurance mapping.

8 Risk Management

8.1 Assurance mapping will be used to inform the Internal Audit Plan. The findings from internal audits provide the Force with useful insight into risks through the identification of specific vulnerabilities. It is the responsibility of lead officers for each audited area to consider the audit findings and their implications in terms of risk management.

9 Policy Implications and links to the Police and Crime Plan Priorities

9.1 It is likely that findings from specific audits will have implications for Force policy and practice in the audited business area. Where that is the case, the lead officer or manager is responsible for preparing an appropriate action plan, with the support of the Force Assurance Team, to be managed as part of the Force's established audit and inspection reporting process.

10 Changes in Legislation or other Legal Considerations

10.1 There are no known future changes in legislation that are likely to impact on the internal audit plan.

11 Details of outcome of consultation

11.1 The relevant Heads of Departments were consulted as part of this process to gather information.

12 Appendices

12.1 Appendix 1: Suggested Areas from Assurance Mapping Process.

Appendix 1 - Suggested Internal Audit Plan for 2022/23

Business Areas	Current Overall Assurance Rating	To be Included on Internal Audit Plan 2022/2023	Recommendation
Core Financials/ Debt Management	Significant/ Satisfactory	V	Legal requirement to audit annually. To be included on Internal Audit Plan.
Workforce Planning	Satisfactory	X	This area was audited in early 2021 and was removed from the 2021/22 audit plan.
GDPR	Satisfactory	X	Recently audited in 2022. Awaiting report.
Information Security	Limited	X	Recently audited in 2022. Awaiting report.
Information Services (asset management)	-	V	To be included on the Internal Audit Plan.
Partnerships	Satisfactory	X	This area will be audited during the current 2021/22 audit plan (March 2022). Previous audit was in 2019/20 and received Satisfactory Assurance. Not to be included on the Internal Audit Plan.
Performance Management	Substantial	X	This area was audited in 2020/21 and received Substantial Assurance. There are no outstanding recommendations. Not to be included on the Internal Audit Plan.
Estates Management	Significant	Х	Significant changes to the Force's estate. To be reviewed annually.
Environmental Management	-	V	To be included on the Internal Audit Plan.
Complaints Management	Satisfactory	X	This area was audited in March 2021 and received satisfactory assurance. Not to be included on the Internal Audit Plan.

Business Areas	Overall Assurance Rating	Included on Internal Audit Plan 2021/2022	Recommendation
Business Change	Satisfactory	X	Received Satisfactory Assurance in the 2020 audit. Has recently (Jan 2022) been re-audited – report awaited. Not to be included on the Internal Audit Plan.
Risk Management	Limited	$\sqrt{}$	Latest risk management audit was January 2021 and received Limited Assurance. To be included on the Internal Audit Plan.
Business Continuity	Satisfactory/ Limited	V	This area was audited in 2019/20. To be included in the Internal Audit Plan.
Operations - Custody	Reasonable	X	This area was last audited in 2019. Unannounced HMICFRS re-inspection of custody due at unknown date. To be included on Internal Audit Plan.
Health and Safety	Limited	X	This area was audited in 2019 and received Limited Assurance. This area is being re-audited in Jan/Feb 2022. Report awaited. Not to be included on Internal Audit Plan
Seized Property	No Assurance	$\sqrt{}$	Awaiting outcome of 2021/22 internal audit. Assurance rating will determine whether this is included on the 2022/23 internal audit plan. The area of 'commissioning' will be considered as an alternative to this audit.
Firearms Licensing	Satisfactory	X	Previously audited and received Limited Assurance. Since the internal audit a comprehensive review has taken place and a number of recommendations implemented. To be included on Internal Audit Plan to ensure outcomes from review embedded. This area was reaudited in 2021 and received Satisfactory Assurance. Not to be included on Internal Audit Plan.
MINT	-	V	To be included on the internal audit plan.

Cyber Security	Limited	$\sqrt{}$	This area dovetails into the Information Security audit which received Limited Assurance in the previous audit. To be included on Internal Audit Plan.
OPCC Commissioning	-	V	To be included on the internal audit plan.

For Consideration	
Public/Non Public*	Public
Report to:	Audit and Scrutiny
Date of Meeting:	28 February 2022
Report of:	Commissioner Henry (PCC)
Report Author:	Dan Howitt
E-mail:	Daniel.howitt13452@nottinghamshire.pnn.police.uk
Other Contacts:	None
Agenda Item:	14

POLICE AND CRIME COMMISSIONER'S UPDATE REPORT

1. PURPOSE OF THE REPORT

- 1.1 This report was presented to the Police and Crime Panel on 8 February 2022 and provides an update on the Police and Crime Commissioner's (Commissioner) progress in fulfilling her statutory duties¹ between November 2021 and January 2022.
- 1.2 The report also includes an overview of the latest Performance and Insight report (Appendix A) and a summary of key OPCC. Quarter 2 revenue and capital forecast outturn positions for 2021/22 were reported to the November meeting of the Police and Crime Panel. Quarter 3 revenue and capital positions will be available following the Force Executive Board meeting on 7 February.

2. RECOMMENDATIONS

- 2.1 The Police and Crime Panel was invited to scrutinise the contents of this report and seek assurance on any specific areas of concern. The Panel was also invited to request further information where required and make relevant observations and recommendations within the scope of their role².
- 2.2 The Police and Crime Panel has a statutory duty³ to scrutinise performance and delivery against the ambitions of the Police and Crime Plan and of the Commissioner in fulfilling her statutory duties (Section 14 of the Policing Protocol 2011). This update report is designed to assist the Police and Crime Panel in fulfilling these responsibilities.

Section 13 of the Police Reform and Social Responsibility (PR&SR) Act 2011 requires the Commissioner to, subject to certain restrictions, provide the Panel with any information which they may reasonably require in order to carry out their functions, and any other information which the Commissioner considers appropriate

² Police and Crime Panels: A Guide to Scrutiny, Local Government Association (Updated 2016)

³ Police Reform and Social Responsibility Act 2011

3. Activities of the Commissioner

- 3.1 The Commissioner completed her programme of stakeholder engagement on the statutory Police and Crime Plan during November and December 2021, publishing her final plan on 26 January 2022. Specific actions, projects and activities linked to the plan are now being captured and tracked as part of the Commissioner's Annual Delivery Plan.
- 3.2 Roll out of the Safer Streets programme continues, having secured over £2m dedicated Home Office funding during the 2021/22 financial year and committed £134k additional local partnership funding to sustain the successful Newark Safer Streets project. Residents from Newark, Nottingham, Mansfield, Sutton-in-Ashfield and Worksop South have continued to benefit from free home security devices, whilst other developments have included increased Automatic Number Plate Recognition (ANPR) capabilities and the trialling of a mobile safety app to help improve safety of women and girls.
- 3.3 The Commissioner chaired the inaugural meeting of the Nottinghamshire Criminal Justice Assurance Board on 13 December. This group brings agencies together in order to improve services, enhance outcomes for victims and witnesses, increase satisfaction and reduce offending and reoffending. The board will provide a platform for local leaders to seek assurance that all parts of the system are making a contribution to our shared objectives. At the initial meeting the board discussed a range of issues, including the Home Office review of PCC's, work to reduce violence against women and girls, plans to reduce the court backlog and how to improve the victim and witness experience of the criminal justice system. The Commissioner also attended the APCC's Local Criminal Justice Board Chairs meeting on 2 December enabling an increasingly joined up approach to criminal justice oversight at a local, regional and national level.
- 3.4 The Commissioner participated in the Safer Nottinghamshire Board's annual priority setting workshop on 20 December, sharing information, intelligence and insight used to inform the 2021-2025 Police and Crime Plan. The Board confirmed its intention to streamline their strategic priorities for 2022 in a move that will see greater alignment with the Commissioner's new police and crime plan.
- 3.5 Other notable engagements undertaken by the PCC during this period have included the Make Notts Safe Grant Awards, Mansfield (17 November); Association of Police and Crime Commissioners (APCC) Partnership Summit (18-19 November); Regional PCC and Chief Constable's Board (23 November); Joint Audit and Scrutiny Panel (30 November); APCC Serious Violence Portfolio

meeting (2 December); Her Majesty's Inspectorate of Constabularies PEEL briefing (6 December); Universities of Nottingham Vice-Chancellors Winter Reception (7 December); National Police Bravery Awards (9 December); Nottingham CDP Board (13 December); East Midlands SOU Briefing (14 December); Violence Reduction Unit Strategic Board (16 December) and the Nottinghamshire Fire Authority (17 December).

- 3.6 The Commissioner visited a number of projects during this period which included the PCC funded 'Switch-Up' project in Nottingham (16 November), Lytham Gardens in Bestwood (8 December) and the new "Pod" at Asda Hyson Green (8 December).
- 3.7 The Commissioner attended the formal handover of the new Nottinghamshire Police and Nottinghamshire Fire and Rescue Services' joint headquarters on 20 January 2022. New facilities at the site, including shared office space and a new police-control room, are expected to drive efficiencies and improve ways of working across both organisations. Commissioner Henry stated: "Our HQ is the newest tool in our arsenal as we combat crime across the county and will enable us to deliver 21st Century policing in Nottinghamshire. The unveiling of our new headquarters is also a testament to our partnership working with the fire service, enabling us to better serve the public and save money."
- 3.8 The Office of the Police and Crime Commissioner and staff from Nottinghamshire Police and Fire and Rescue Service will relocate within Headquarters during early 2022.

4. POLICE AND CRIME PLAN PERFORMANCE (2021-25)

- 4.1 The Commissioner's Performance and Insight report has been fully revised and updated in line with the 2021 to 2025 Police and Crime Plan and is shown at appendix A. The report contains a range of new indicators which include 'neighbourhood crime4' rates, homicide, domestic homicide, the use of protection and early intervention measures relating to domestic violence and staking, domestic violence protection orders, notices and disclosures, online crime, issues of priority public concern, number of people killed or seriously injured on Nottinghamshire's roads, criminal asset recovery and applications and levels of police recorded 'hidden harm'5.
- 4.2 New processes are being established to capture and report on relevant partner agency data sources as part of this process, which include hospital admissions

⁴ National basket of offences comprising residential burglary, personal robbery, theft from person and theft of and from vehicles

⁵ Comprising low volume high harm offence categories such as child sexual exploitation, child criminal exploitation, modern slavery, forced marriage, 'honour based violence and Female Genital Mutilation (FGM)'

for non-accidental injuries involving knifes and sharp instruments, proven reoffending rates and application and use of the Community Trigger process at Local Authority level. The Commissioner's Performance and Insight report to September 2021 shows a strong performance trajectory across the majority of key performance indicators.

4.3 Preventing crime and protecting people from harm

- The proportion of respondents to the Police and Crime Survey reporting experience of neighbourhood crime⁶ in the last year (5.1%) remains significantly lower than levels recorded during the 2019/20 baseline year (7.5%). Nottinghamshire's dedicated burglary and robbery teams and targeted crime prevention activity undertaken as part of the Home Office funded Safer Streets programme continue to drive reductions in these offences, however, changes in lifestyles as a consequence of the Coronavirus pandemic are also believed to have had an impact.
- Levels of violent knife crime have fallen by a further 9% (-71) over the last year, continuing the downward trend seen since March 2018. The number of first time entrants into the youth justice system in the city (126) has increased over the last year, but saw a marginal reduction in the latest quarter and remains significantly lower than levels recorded in the year to June 2019 (160). The overall level of crime severity / crime harm recorded in Nottinghamshire⁷ has remained relatively stable over the last year.
- There have been significant increases in pro-active preventative and safeguarding activity linked to domestic and sexual abuse over the last year which have included rises in the use of Domestic Violence Protection Orders (+202%) and Notices (+193%). Reported domestic abuse crimes, by contrast have fallen by 5% whilst the average number of domestic homicides recorded in Nottinghamshire has fallen by 52% (based on 3 year rolling average).

4.4 Responding to local need

• Public confidence in the Nottinghamshire Police peaked at 60.7% during the 2020/21 year and has since plateaued at around 60%. This remains higher than the level recorded in the 2019/20 baseline year (55.4%), however, the Commissioner has set an ambition to increase the proportion of residents stating that they have confidence in the police to at least 61.4% by March 2024. To help achieve this ambition, the Make Notts Safe plan maintains an ongoing commitment to the Operation Reacher model, a reinvigorated locality-based problem solving and priority setting process, the implementation of an ASB

⁶ Nottinghamshire Police and Crime Survey

⁷ As calculated using the ONS Crime Harm Index

Taskforce and further development of the PCC's communication and engagement programme.

- Positively, the proportion of respondents stating that the police are visible and accessible in the areas of greatest need has increased from 33.9% to 36.1% over the last year whilst the proportion of service users stating that they were satisfied with the service received increased from 58.7% to 63.0%.
- The Performance and Insight report shows that Nottinghamshire Police are maintaining strong call handling performance, with abandonment rates for the 999 service remaining low and falling (-0.6% pts), despite increasing demand (+11,522 calls). Grade 1 and Grade 2 response times have also increased steadily over the last year.

4.5 Supporting victims, survivors and communities

- A review of around 3,500 closing assessments of victims receiving Ministry of Justice funded victim services over the last year shows that around 71.4% felt that the service had improved their ability to cope with everyday life and recover from harm experienced. This marks a marginal reduction over the last year, partly affected by the impact of the pandemic. The Commissioner has set an ambition to increase the proportion stating that they are better able to cope and recover to at least 80% by March 2024, alongside plans to recommission new victim services for the area.
- The Commissioner has received assurance that the proportion of cases in which the force was compliant with the Victims' Code of Practice has increased from 91.8% to 95.1% over the last year, providing assurance that the care needs of victims are being routinely considered and that victims are being offered support and referral to available victim service providers.
- The revised Performance and Insight Report introduces a new category of hidden harm offences which are low in volume but have a high impact in victims and survivors, for which the Commissioner has set an ambition to increase reporting and identification. Levels of 'hidden harm' recorded by the police have increased by 11% over the last year, largely driven by rises in the number of Child Sexual Exploitation and Honour-based Violence offences identified and recorded.

4.6 Notable outliers:

 The proportion of residents stating that they feel safe outside in the area that they live after dark has fallen steadily since December 2020, from 63.1% to

- 59.1%. Work will be undertaken to develop a better understanding of the local and national factors that are likely to have impacted upon this trend.
- Self-reported experience of online fraud has continued to increase over the last year (+6.3%) as have the number of online dependent crimes recorded by the police (+4.3%). Of particular concern is the rising rate of online fraud offences in which vulnerable people have been targeted. The Commissioner's Police and Crime Plan sets out a number of commitments in this area which include work to support the expansion of the force's digital media investigation team and to work with local, regional and national partners to promote a range of practical crime prevention tools and materials to help residents and businesses to better protect themselves from fraud. Progress will be reported as part of the Commissioners annual delivery plan.

5. Grants and Commissioning

- 5.1 The Commissioner continued to identify and secure opportunities for investment in the delivery of her Police and Crime Plan priorities for 2021-24.
- 5.2 Home Office Safer Streets Fund: the Commissioner received confirmation of a further £293,542 Safer Streets Funding in December following a successful bid to the 'Safety of Women at Night' (SWaN) fund. This brings the total amount of Home Office funding secured for Nottinghamshire as part of the Safer Streets programme to £2.8m during the 2021/22 financial year. The SWaN funding will be used to improve women's safety and feelings of safety in Nottingham city centre. Initiatives include training for Night Time Economy staff on issues relating to Violence Against Women and Girls (VAWG), expanding an existing VAWG campaign and developing a new VAWG Charter for the Night Time Economy. The funding will also support work to provide Safe Spaces for women, improve safety on Nottingham's tram network and the provision of monthly nights of action.
- 5.3 Make Notts Safe Grants: The Commissioner launched her £1m Make Notts Safe Fund on 26 January 2022 which provides multi-year funding for community and third sector organisations to deliver projects that help to deliver against the priorities of the Make Notts Safe Plan. Thematic funding rounds include: youth diversionary activities; responding to hidden harm; tackling rural crime; tackling hate crime and; combating issues of greatest community concern. Thematic funding rounds relating to youth diversion and hidden harm are now open for applications in addition to the Make Notts Safe Community Chest which provides short term funding of up to £5,000. The deadline for applications is 7 March 2022. More information can be found via the Commissioner's website at www.nottinghamshire.pcc.police.uk

- 5.4 The Commissioner's Police and Crime Plan also outlines a number of funding commitments for the planning period, which include:
 - A dedicated £800,000 for crime prevention initiatives to increase neighbourhood safety and feelings of safety in vulnerable and hotspot locations across Nottinghamshire and;
 - Investing £400,000 from the Late Night Levy to support partnership prevention activity in the city including 'Operation Guardian' and activity to improve safety and feelings of safety among women and girls
 - Investing over £1,500,000 in custody based diversion for young people
 - Investing over £2,600,000 into local drug treatment services for those in contact with the criminal justice system in Nottinghamshire
 - Making £400,000 available to tackle rural crime and ensure that the police have the right resources, equipment and training to tackle these offences.

6. National Developments

- 6.1 The government published a ten year **National Drugs Plan** named 'From harm to hope' on 6 December setting out commitments to break drug supply chains while simultaneously reducing the demand for drugs by getting people suffering from addiction into treatment, and deterring recreational drug use. The plan sets out three core priorities: break drug supply chains, deliver a world-class treatment and recovery system, and achieve a shift in the demand for recreational drugs.
- 6.2 This will be achieved by:
 - Continuing to roll-up exploitative and violent county lines and strengthen the response across the drug supply chain, making the UK a significantly harder place for organised crime groups to operate
 - Investing a further £780 million to rebuild drug treatment and recovery services, including for young people and offenders, with new commissioning standards to drive transparency and consistency
 - Strengthening the evidence for how best to deter use of recreational drugs, ensuring adults change their behaviour or face tough consequences, and prevent young people from starting to take drugs
- 6.3 The plan is supported by almost £900 million of dedicated funding over the Spending Review period, with the government also developing a new set of local and national outcomes frameworks to measure progress. The Commissioner is now working with partners to consider the local implications and how she may optimise her convening powers to best effect in this area.
- 6.4 The Ministry of Justice launched a consultation on the **Victims' Bill** on 9 December 2021 which aims to bring about landmark reforms for victims of crime,

guaranteeing greater consultation with them during the criminal justice process, ensuring their voices are properly heard and holding agencies such as the police, Crown Prosecution Service and courts to greater account for the service they provide to victims.

- 6.5 Proposals include an explicit requirement for prosecutors to meet the victims of certain crimes before making a charging decision in order to understand the impact and the introduction of community impact statements to provide an account for the collective impact of an offence, including in cases where there is no clear victim such as attacks on public places or anti-social behaviour. The Commissioner plans to issue a formal response to the consultation in advance of the 3 February deadline.
- 6.6 The Home Secretary announced the provisional police funding settlement for 2022/23 on 16 December 2021. A total of £16.9bn has been made available for policing in England and Wales, representing a £1.1bn increase on the 2021/22 funding settlement. PCCs will receive an overall increase of £796m in total funding assuming all adopt the full precept flexibility of £10 per Band D property. The settlement also confirmed total grant funding for police forces for the next three years, with increases of £550 million in 2022/23, at least £650 million in 2023/24 and no less than £800 million in 2024/25. PCCs will have up to £10 of precept flexibility in each of the next three years. The local implications of the settlement are considered within the accompanying precept and budget report.

7. Decisions

7.1 The Commissioner has the sole legal authority to make a decision as the result of a discussion or based on information provided to her by the public, partner organisations, Members of staff from the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) or Chief Constable. The Commissioner's web site provides details of all significant public interest decisions.⁸

8. Human Resources Implications

8.1 None - this is an information report.

^{8 &}lt;a href="http://www.nottinghamshire.pcc.police.uk/Public-Information/Decisions/Decisions.aspx">http://www.nottinghamshire.pcc.police.uk/Public-Information/Decisions/Decisions.aspx

9. Equality Implications

9.1 The Commissioner's decisions and strategic direction are fully compliant with the Equality Act 2021

10. Risk Management

10.1 There are no significant risks within this report that would need to be drawn to the attention of the Police and Crime Panel.

11. Policy Implications and links to the Police and Crime Plan Priorities

11.1 This report provides Members with an update on performance in respect of the Police and Crime Plan, and provides information on emerging drugs and victim policy issues that may influence future local policy and strategy

12. Changes in Legislation or other Legal Considerations

- 12.1 The Commissioner undertakes routine horizon scanning of emerging legislation, government publications, audits and inspections and significant consultations, statistics and research findings in order to help inform local strategic planning and decision making.
- 12.2 The <u>Elected Local Policing Bodies (Specified Information) (Amendment) Order</u>
 2021 came into force on 31 May 2021 requiring Police and Crime Commissioners to publish on their websites:
 - A statement on how their force is performing in relation to key national priorities for policing;
 - Copies of HMICFRS PEEL inspection reports, and a summary assessment of the force's performance; and
 - Copies of IOPC data on force complaints, and a statement on how the PCC (or Mayor's Office) is exercising its complaints-handling functions under the Police Reform Act 2002.
- 12.3 The Commissioner has taken steps to ensure compliance with the amended legislation and will be publishing a statement on how the force is performing in relation to the national police outcomes framework when publishing her statutory Police and Crime Plan.

13. Details of outcome of consultation

13.1 The Chief Constable has been sent a copy of this report.

14. Appendices

A. Nottinghamshire Revised Performance and Insight report to September 2021

15. Background Papers (relevant for Police and Crime Panel Only)

Make Notts Safe Plan 2021 - 2025

For any enquiries about this report please contact:

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NOTTINGHAMSHIRE POLICE AND CRIME PLAN PERFORMANCE FRAMEWORK 2021 TO 2025

QUARTER 2: PERFORMANCE TO 30th SEPTEMBER 2021

INTRODUCTION

The Nottinghamshire <u>Police and Crime Plan 2021-25</u> sets the strategic direction for the police and partner agencies in tackling and reducing crime and improving local police and victim services during the 2011 to March 2025 period. The plan sets three simple objectives:-

Preventing crime and protecting people from harm

Responding efficiently and effectively to community needs

Supporting victims and communities to be safe and feel safe

This framework is designed to support the Commissioner, partner agencies and the Police and Crime Panel in tracking the delivery of performance outcomes linked to the plan. Indicators are reviewed and reported on a quarterly basis via the statutory Police and Crime Panel and Commissioner's Strategic Resources and Performance Board.

The Coronavirus pandemic and subsequent restrictions imposed from 23 March 2020 had a significant unprecedented impact on trends in crime and service demand during 2020 and 2021. Consequently, the 2020/21 year does not provide a reliable and meaningful baseline against which future performance outcomes can be assessed.

Performance ambitions for the planning period have therefore been set in the context of benchmarking with other police force areas and informed views on what can be reasonably achieved in the current environmental conditions with the resources currently available. In many cases, this is simply shown as an expected direction of travel.

Work will be undertaken to migrate the Performance and Insight report to Power BI in 2022 with a view to enabling more interactive profiling of outcomes at local authority and community safety partnership level.

1A. Making our streets, villages, towns and city safer

		Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ov	ver last year Actual
KPI	Experience of Neighbourhood Crime ¹ (PCS)	< 7.0%	7.1%	6.7%	6.3%	5.8%	5.1%	-2.0% pts	Base 4,260
	Total Neighbourhood Crime (Police recorded)	Monitor	13,578	11,827	9,928	9,978	9,655	-28.9%	-3,923
	Residential Burglary (Police recorded)	Monitor	4,717	4,222	3,670	3,603	3,405	-27.8%	-1,312
	Vehicle Crime ² (Police recorded)	Monitor	6,482	5,710	4,839	4,873	4,801	-25.9%	-1,681
	Personal Robbery (Police recorded)	Monitor	906	803	694	718	696	-23.2%	-210
	Theft from Person (Police recorded)	Monitor	1,473	1,092	725	784	753	-48.9%	-720
	Feelings of safety in the area after dark (PCS)	Increase	62.7%	63.1%	62.5%	61.0%	59.1 %	-3.6% pts	Base 4,260

Significant reductions in serious acquisitive crimes over the last year have been largely sustained following the easing of Coronavirus lockdown restrictions. The Commissioner has committed to supporting targeted crime prevention activity in hotspot localities and an ongoing focus on Integrated Offender Management during her term in office with a view to sustaining these positive reductions.

Overall reductions have been seen in Neighbourhood Crime with positive on-going reductions in Burglary over the 2 year period.

The OPCC and partners have been successful in securing £2.5 Home Office Safer Streets funding during the 2021/22 financial year, with further funding announcements anticipated in late October. This is enabling additional target hardening interventions and environmental improvements to be undertaken in areas such as Newark, Worksop and Sutton in Ashfield.

¹ Residential Burglary, Personal Robbery, Theft from Person, TOMV & TFMV

² Theft of and Theft from Motor Vehicle

1B. Preventing serious violence and steering vulnerable young people away from crime

		Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ov	er last year Actual
КРІ	First Time Entrants into the YJS: Force (YJS)	< 256	222 (220 Aug 20)	217	221	241	232 (Aug 21)	+5.5%	+12
	Youth Justice First Time Entrants: City	Monitor	105 (104 Aug 20)	114	113	135	132 (Aug 21)	+26.9%	+28
	Youth Justice First Time Entrants: County	Monitor	117 (116 Aug 20)	103	108	106	100 (Aug 21)	-13.8%	-16
	Violence with Injury ³ (Police recorded)	Monitor	10,774	10,127	9,061	9,275	9,367	-13.1%	-1,407
	Homicide (rolling 3 year average)	Monitor	11.3	11.7	10.3	9.3	8.0	-29.2%	-3.3
КРІ	Violent Knife Crime (Police recorded)	< 741	765	720	706	718	694	-9.3%	-71
	Possession of Weapons offences	Monitor	1,075	1,008	996	1,052	1,072	-0.3%	-3

Levels of violent knife crime have fallen by a further 9% (-71) over the last year, continuing the downward trend seen since 2018. The number of first time entrants into the youth justice system in the city (132) has increased since March 2021, but remains significantly lower than levels recorded in 2019. The overall level of crime severity / crime harm recorded in Nottinghamshire has remained relatively stable over the last year.

Hospital admissions for knife crime: The average number of 'under 25s admitted to hospital due to assault with a sharp object' fell from 32.0 as at March 2020 to 31.3 as at March 2021. The Nottinghamshire VRU are establishing a process to obtain monthly updates for this data set.

³ Section 18, 20 and 47 (GBH & ABH)

1C: Preventing Violence Against Women and Girls

	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021
Domestic Homicide ⁴	Monitor	2.7	2.3	1.3	1.3	1.3
Domestic abuse repeat victimisation rate	Monitor	33.4%	33.6%	34.1%	33.6%	33.4%
Domestic Violence Protection Notices	Monitor	60	89	126	141	176
Domestic Violence Protection Orders	Monitor	55	84	118	132	166
DV Disclosure Scheme: Disclosures⁵	Monitor	251	285	376	418	417
Stalking Protection Orders	Monitor	12	13	9	8	• 4
Sexual Offence Orders ⁶	Monitor	853	878	899	934	946
Reported experience of domestic abuse (PCS)	Monitor	1.5%	1.2%	1.3%	1.3%	1.4%
Reported Domestic Abuse Crime (Police)	Monitor	14,917	14,191	13,876	13,867	14,151
Reported Stalking and Harassment (Police)	Monitor	10,487	10,396	10,518	10,994	11,004
Reported RASSO ⁷ (Police)	Monitor	2,507	2,355	2,213	2,447	2,606

Change ov	er last year
%	Actual
-51.9%	-1.4
0% pts	n/a
+193.3%	+116
+201.8%	+111
+66.1%	+166
-66.7%	-8
+10.9%	+93
-0.1% pts	Base 4,260

-5.1%	-766
+4.9%	+517
+4.0%	+99

Domestic Homicides have reduced steadily over the previous two years, from 3.7 in March 2020 (based on an annual average of the previous three year period).

Conversely, DVPNs and DVPOs have risen markedly over the 2 year period.

Stalking Protection Orders have seen an ongoing reduction over the 2 year period.

⁴ Rolling annual average based on previous 3 years

⁵ Based on 'date received' and including Right to Ask and Right to Know

⁶ Includes Sexual Risk and Sexual Harm Prevention Orders

⁷ Rape & Serious Sexual Offences (ALL including outliers)

1D: Improving our approach to Reducing Reoffending

	Aim	12 months to Sep 2020
IOM: Offenders subject to monitoring	Monitor	269
IOM: Offenders successfully removed	Monitor	93
IOM: Reduction in average re-offending risk	Monitor	-56.3%

12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021
258	285	304
70	80	96
-71.0%	-71.0%	-75.9%

12 months to Sep 2021	
282	
70	1
-69.5%	1

Change over last year							
%	Actual						
+4.8%	+13						
-24.7%	-23						
+13.2% pts	n/a						

Average reductions in re-offending risk among those subject to Integrated Offender Management (IOM) arrangements have seen significant improvements over the last year.

The Reducing Reoffending Board is currently developing reporting processes for the suite of indicators included within this priority thematic.

2A: Visible, accessible and responsive crime and policing services

		Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ov	er last year Actual
КРІ	Public confidence in the police (PCS)	> 57.4%	59.3%	59.8%	60.7%	60.3%	59.9%	+0.6% pts	Base 4,260
КРІ	Public perception: police visibility (PCS)	> 34.7%	33.9%	34.6%	35.8%	35.9%	9 36.1%	+2.2% pts	Base 4,260
	999 Abandoned Call rate	< 2.0%	0.93%	1.10%	0.90%	0.60%	0.33%	-0.6% pts	n/a
	101 Abandoned Call rate	< 5.0%	5.3%	6.7%	5.9%	4.6%	2.8%	-2.5% pts	n/a
	Response times: Grade 1 Urban	Monitor	76.9%	76.0%	77.3%	77.5%	77.8%	+0.9% pts	n/a
	Response times: Grade 1 Rural	Monitor	71.3%	71.0%	72.0%	73.3%	74.2%	+2.9% pts	n/a
	Response times: Grade 2	Monitor	53.1%	54.7%	57.7%	57.3%	57.3%	+4.2% pts	n/a
	Calls for Service: 999	Monitor	183,886	182,019	179,744	190,329	195,408	+6.3%	+11,522
	Calls for Service: 101	Monitor	672,849	642,679	507,748	601,377	604,338	-10.2%	-68,511
	Deployable Officers (Headcount)	Increase	2,069	2,079	2,155	2,169	2,209	+6.8%	+97
	Officer Service Strength (FTE)	2,297	2,088.19	2,120.86	2,192.64	2,201.73	2,232.96	+6.9%	+144.8
	Staff Service Strength (FTE)	1,206	1,263.03	1,266.16	1,270.96	1,266.00	1,296.02	+2.6%	+32.99
	PCSO Service Strength (FTE)	150	159.85	156.62	153.35	149.99	145.98	-8.7%	-13.87

Nottinghamshire Police maintains strong call handling performance, with abandonment rates for the 999 service remaining low and falling (-0.6% pts), despite increasing demand (+11,522 calls). Grade 1 and Grade 2 response times have also increased steadily over the last year.

2B: Improving our capacity, capability and effectiveness in policing the digital beat

	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ov	er last year Actual
Online Dependent Crimes ⁸	Monitor	3,776	3,793	3,912	3,988	3,940	+4.3%	+164
Facilitated Online Crimes ⁹	Monitor	352	360	365	367	338	-4.0%	-14
			_					
Experience of Online Fraud (PCS)	Monitor	14.8%	15.8%	18.0%	20.1%	21.1%	+6.3% pts	Base 4,260
Experience of Online Fraud with loss (PCS)	Monitor	4.6%	4.5%	4.8%	5.0%	4.9%	+0.3% pts	Base 4,260
Confidence in response to Cyber Crime (PCS)	Increase	n/a	n/a	n/a	n/a	n/a	n/a	Base 4,260
Reported Fraud Offences	Monitor	2,854	2,928	3,033	3,376	3,604	+26.3%	+750

Self-reported experience of online fraud, as captured via the Nottinghamshire Police and Crime Survey has increased markedly since March 2020, alongside increases in police recorded fraud offences.

Confidence in the police and criminal justice response to cyber crime will be captured for the first time as part of the winter wave of the Police and Crime Survey. The indicator will be tracked during the period of the plan.

The NFIB Portal used to monitor Action Fraud reporting is currently inoperative and only extracting data from July 2020 onwards.

⁸ Includes crimes with an online NICL qualifier – Notts Cyber Crime Compilation

⁹ Includes crimes with an online NICL qualifier

2C: Improving police and partnership responses to the issues of greatest community concern

		Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ov %	er last year Actual
КРІ	Police dealing with issues of local concern (PCS)	> 43.7%	44.0%	44.6%	45.5%	46.0%	45.3%	+1.3% pts	Base 4,260
КРІ	% Residents satisfied with police service (PCS)	> 59.9%	58.7%	60.1%	60.8%	62.8%	63.0%	+4.3% pts	Base 1,022
	Perception that police 'do a good job' (PCS)	Monitor	53.4%	54.0%	54.9%	55.2%	54.5%	+1.1% pts	Base 4,260
	Speeding / reckless driving as local issue (PCS)	Reduce	36.5%	36.9%	36.8%	36.3%	35.2%	-1.3% pts	Base 4,260
	Drug use and dealing as a local issue (PCS)	Reduce	32.1%	32.0%	30.5%	30.6%	29.4%	-2.7% pts	Base 4,260
	People Killed or Seriously Injured on roads	Monitor	397	372	340	380	336 ¹⁰	-15.4%	-61
	Drug Offences (Police recorded)	Monitor	932	928	981	964	937	+0.5%	+5
	% experiencing ASB in the last year (PCS)	Monitor	65.1%	64.0%	64.4%	65.3%	64.2%	-0.9% pts	Base 4,260
	Police recorded Anti-Social Behaviour	Monitor	41,957	45,064	48,209	43,987	41,888	-0.17%	-69
	Anti-social Behaviour Incidents: % Repeats	Monitor	27.6%	28.3%	29.5%	32.2%	32.8%	+5.2% pts	n/a
	Community Trigger applications / activations	Increase	ТВС	TBC	TBC	TBC	ТВС	n/a	n/a

Base 4,260
-61
+5
Base 4,260
-69
n/a
n/a

The proportion of residents reporting that the police are effective in dealing with the issues that matter most to communities has risen steadily throughout the year, which is likely to have been impacted in part by the roll out of Operation Reacher to all neighbourhoods.

In particular, the force has seen reductions in the proportion of residents citing drug use and dealing as an issue that they would like to see the police do more to tackle in their area (down from 50% to 29% since March 2019).

The proportion of residents reporting experience of drug use and dealing in their area has fallen from 24.6% to 22.1% over the last year, alongside reductions in the frequency of this occurring – with the proportion stating that this happens most weeks having fallen from 71% to 65%.

¹⁰ Figure ran on 30/11/21 by Safer Highways – only validated to June 2021

2D: Investigating Crime, Bringing Offenders to Justice and Tackling Serious and Organised Crime

Bringing Offenders to Justice	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021
Crimes with an identified suspect (N.)	Monitor	38.6% (3,103)	39.9% (3,012)	39.3% (2,786)	36.6% (2,717)	36.1% (2,697)
Victim-based crime Pos outcome rate (N.)	Monitor	11.7% (9,450)	12.2%	11.8%	10.8%	10.4% (7,724)
Domestic abuse: Positive outcome rate (N.)	Monitor	13.3% (1,947)	13.4%	12.9%	12.2%	12.0% (1,585)
Sexual Offences: Positive outcome rate (N.)	Monitor	8.6% (215)	8.4%	8.0%	7.4%	8.2% (211)
Violent knife crime: Pos outcome rate (N.)	Monitor	25.8% (197)	27.0%	28.1%	27.6%	25.4% (176)

Change ov	Change over last year					
%	Actual					
-2.5% pts	-406					
-1.3% pts	n/a					
-1.3% pts	n/a					
-0.4% pts	n/a					
-0.4% pts	n/a					

Tackling Serious and Organised Crime	Aim	12 months to Sep 2020
Firearm Discharges (rolling 3 year average) ¹¹	Monitor	19.3
Criminal Asset Applications ¹²	Monitor	24
Criminal Asset Recovery (£)	Monitor	£293,229

.2 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021
21.0	20.7	20.3	19.7
18	17	23	28
£138,636	£168,202	£188,702	£259,892

Change over last year				
%	Actual			
+2.1%	+0.4			
+16.7%	+4			
-11.4%	-£33,337			

Falling positive outcome rates alongside reductions in crimes with identified suspects could be attributed to the lockdown measures during 2020 and early 2021. This resulted in less people around (certainly at night) who may have been available as witnesses which could have led to a viable suspect being identified. As an ongoing consequence, fewer crimes would have a suspect and led to a reduction in a positive outcome being made.

¹¹ Non-imitation weapons only that have been discharged (Home Office ADR return)

¹² POCA 2002

	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change o	ver last year Actual
All Victim Based crime	Monitor	18,785	18,543	17,496	17,737	18,334	-2.4%	-451
Victims Code of Practice Compliance	Monitor	91.8%	92.9%	93.9%	94.2%	95.1%	+3.4% pts	Base TBC
Victim Services: Victim support / interventions	Monitor	13,367	13,589	13,810	14,663	15,516	+16.1%	+2,149
% Improved ability to cope and recover	>71.9%	72.7%	70.3%	67.8%	69.6%	71.4%	-1.3% pts	Base 3,572
% Improved cope & recover: Domestic Abuse	Monitor	73.3%	70.9%	68.5%	74.3%	80.1%	+6.8% pts	Base 1,546

67.4% 11.0%

88.8% 80.2%

57.2%

3A: Improving services and service outcomes for victims of crime

	% Improved cope & recover: Victim Care	Monitor	76.2%	73.0%	69.7%	
	% crimes resolved via community resolution	Monitor	8.9%	9.3%	9.8%	
	% Domestic abuse victims satisfied (overall) ¹³	Monitor	88.5%	88.9%	87.9%	
	% Hate crime victims satisfied (overall)*	Monitor	82.7%	83.7%	81.6%	
KPI	% Victims satisfied with police service (PCS)	> 53.9%	53.6%	56.1%	56.5%	

95.1%
15,516
71.4%
80.1%
65.2%
13.0%
88.0%
80.7%
56.3%

%	Actual
-2.4%	-451
+3.4% pts	Base TBC
+16.1%	+2,149
-1.3% pts	Base 3,572
+6.8% pts	Base 1,546
-11.1% pts	Base 1,022
•	,-
+4.1%	n/a
+4.1%	n/a
+4.1% -0.5% pts	n/a Base 665
+4.1% -0.5% pts	n/a Base 665

The proportion of recorded crimes resulting in a positive outcome has seen a steady reduction during 2021, including reductions in the positive outcome rate for domestic abuse and sexual offences. Furthermore, the proportion of crimes in which a suspect is identified has also reduced from 39.9% to 36.1% since December 2020.

KPI

¹³ Victim Satisfaction Domestic & Hate survey results reflect data from 3 months previously.

3B: Encouraging reporting and identifying hidden harm

		30.	encouraging rep	Joi tillg allu lue	intillying mader	i iiai iii			
	Identification of hidden harm	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ove	r last year Actual
	Domestic Abuse Occurrences (Police)	Monitor	14,917	14,191	13,876	13,867	14,151	-4.7%	-704
	All Sexual Offences (incl. Rape)	Monitor	2,930	2,726	2,577	2,842	3,015	+2.9%	+85
	RASSO: Adult	Monitor	1,312	1,229	1,174	1,204	1,270	-3.2%	-42
	RASSO: Child	Monitor	1,140	1,080	1,000	1,193	1,266	+11.1%	+126
КРІ	TOTAL 'HIDDEN HARM' CATEGORY	Increase	678	688	758	783	753	+11.1%	+75
	Child Sexual Exploitation (Police recorded)	Monitor	426	431	469	491	490	+15.0%	+68
	Child Criminal Exploitation (NRM Referrals)	Monitor	64	72	78	80	65	+1.6%	+1
	Modern Slavery offences (Police recorded)	Increase	140	129	152	149	133	-5.0%	-7
	Forced Marriage (Police recorded)	Monitor	1	0	1	1	1	n/a	n/a
	Honour-Based Violence (Police recorded) ¹⁴	Monitor	47	56	58	62	64	+36.2%	+17
	FGM (Police recorded)	Monitor	0	0	0	0	0	0	0

¹⁴ Violence Against the Person offences with an 'honour based incident' NICL qualifier

3C: Improving victim experience of the criminal justice system

	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change over %	r last year Actual
Criminal Justice Cases received	TBC	ТВС	TBC	TBC	TBC	ТВС	n/a	n/a
% Cases passing first triage stage	TBC	ТВС	TBC	TBC	TBC	ТВС	n/a	n/a
Victims Code of Practice Compliance	Monitor	91.8%	92.9%	93.9%	94.2%	95.1%	+3.4% pts	Base ?
KPI % Police Charge / summons: Rape & SSO	> 5.3%	5.4%	4.9%	4.7%	4.8%	6.3%	+0.9% pts	n/a

Reporting processes for the suite of indicators included within this priority thematic will be developed via the Local Criminal Justice Assurance

3D: Supporting and enabling communities to help Make Notts Safe

	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ove	r last year Actual
Special Constabulary	Monitor	151	149	152	161	170 ¹⁵	+12.6%	+19
Police Cadets	Monitor	ТВС	TBC	TBC	TBC	ТВС	n/a	n/a
Volunteers*	Monitor	n/a	n/a	18	109	114	n/a	n/a
Crimestoppers: Actionable reports received	Monitor	3,211	2,923	2,970	2,838	2,950	-8.1%	-261
Crimestoppers: Positive conversion rate	Monitor	5.5%	5.4%	6.2%	6.2%	7.0%	+1.5% pts	n/a

^{*}Volunteer numbers for the first 3 periods were adversely affected by the Covid pandemic and working from home measures.

¹⁵ Data is valid as at the month end date

EQUALITY OBJECTIVES

Promoting equal opportunities and community cohesion between diverse communities

	Aim	12 months to Sep 2020	12 months to Dec 2020	12 months to Mar 2021	12 months to Jun 2021	12 months to Sep 2021	Change ov %	er last year Actual
Police recorded hate occurrences	Monitor	2,404	2,340	2,248	2,381	2,411	+0.3%	+7
Hate crime repeat victimisation rate	Monitor	15.4%	17.3%	17.8%	17.3%	16.7%	+1.3% pts	n/a
% feeling there is a sense of community	Monitor	59.6%	61.3%	62.4%	63.2%	63.0%	+3.4% pts	Base 4,260
% feeling different backgrounds get on well	Monitor	61.4%	63.3%	64.8%	64.4%	63.0%	+1.6% pts	Base 4,260
Stop and Searches	Monitor	5,103	4,952	5,109	4,942	4,902	-3.9%	-201
Stop and Search: Positive outcomes	Monitor	39.6%	39.3%	39.0%	38.9%	37.8%	-1.8% pts	n/a
Stop and Search: BAME Disproportionality ¹⁶	Reduce	3.1	2.9	2.7	2.3	2.4	-22.6%	-0.7
Workforce representation: Non-White British	Increase	6.31%	6.68%	6.62%	6.89%	6.92%	+0.61% pts	n/a
Workforce representation: Female	Increase	45.27%	45.24%	45.41%	45.51%	45.54%	+0.27% pts	n/a
% Public confidence in the police (Overall)	Monitor	59.3%	59.8%	60.7%	60.3%	59.9%	+0.6% pts	n/a
White British / Minority Ethnic	Monitor	58.9% / 65.2%	59.7% / 64.2%		60.8% / 61.3%	60.6% / 59.8%	+1.7% / -5.4%	Base 3,445 / 570
Male / Female	Monitor	57.3% / 61.3%	58.3% / 61.2%		59.4% / 61.2%	59.4% / 60.3%	+2.1% / -1.0%	Base 2,061 / 2,119

¹⁶ Figure shown is weighted by ONS 2011 Census data

For Information	
Public	Public
Report to:	Audit and Scrutiny Panel
Date of	28 th February 2022
Meeting:	
Report of:	Deputy Chief Constable
Report Author:	Pat Stocker – Information Management Lead
E-mail:	pat.stocker@nottinghamshire.pnn.police.uk
Other	lehan.fielding7194@nottinghamshire.pnn.police.uk
Contacts:	
Agenda Item:	15

Nottinghamshire Police Information Management - Freedom of Information and Data Protection Information Requests update for December 2020 to December 2021.

1. Purpose of the Report

1.1 To provide the Audit and Scrutiny Panel with data on the legislative compliance for Information Requests under the Freedom of Information Act and Data Protection Act legislation for December 2020 to December 2021

2. Recommendations

2.1 For Members to note the monitoring statistics for December 2020 to December 2021 in relation to information requests processed by Nottinghamshire Police in line with Freedom of Information and Data Protection legislation.

3. Reasons for Recommendations

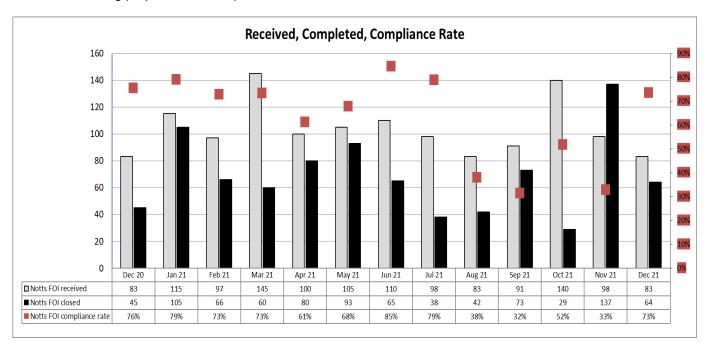
3.1 To enable the Audit and Scrutiny Panel to fulfil its scrutiny obligations to oversee and consider Freedom of Information and Data Protection Subject Access Request (SAR) Compliance.

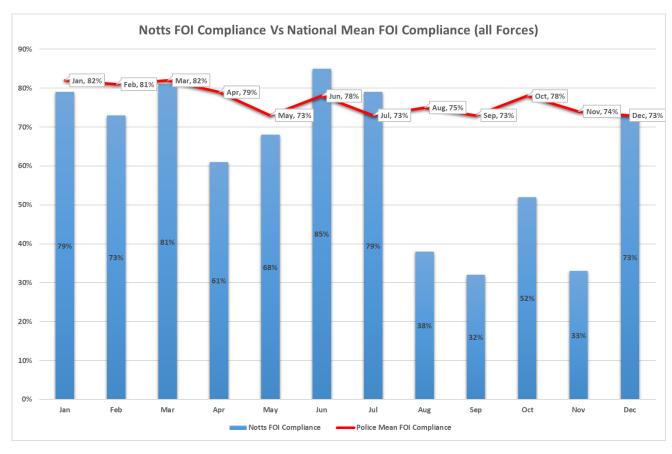
4. Summary of Key Points

- 4.1 Nottinghamshire Police as a public authority has a legal responsibility to respond to information requests received and processed in line with Freedom of Information Act (FOIA) and Data Protection legislation. These requests are processed and completed by the Information Request Team
- 4.2 The legislative deadlines for the Acts are:-
 - Freedom of Information 20 working days
 - Data Protection Subject Access 1 calendar month from receipt of request

4.3 Table 1 - FOI Completion Figures from December 2020 to December 2021

The Force monitors compliance and provides quarterly statistics for Freedom of Information to the NPCC Central Referral Unit based in Hampshire. Since September 2019 compliance figures in respect of FOI and Subject Access requests have been provided to the Information Commissioners Office for performance monitoring purposes and are published on the ICO website.





Current Demand Levels: FOI

- We have assigned one dedicated Information Request Officer to manage all FOI
 requests with support from the Information Request Team Leader, this has worked well
 but we are conscious of the single person dependency this has created leading to
 differences in compliance levels due to a standard level of expected absences relating
 to leave & training and additional absences related to sickness
- We continue to work to reduce the backlog and improve our compliance rating closer to the Police Mean rate.
- We have initiated a triage process by which all FOI requests received are subject to initial review by the Information Request Team Leader and assigned a RAG status based on the nature of the request. The RAG status of the request will dictate what level of review the response to the request undergoes. This is to ensure that key engagement with relevant subject matter experts (SME) is made in order to ensure that the information being provided is accurate and that any contextual information to assist the applicant in understanding the information is provided. It also assists the Freedom of Information Request officer in identifying any operational risks posed by disclosure which enables them to consider whether any appropriate FOI exemptions are engaged.
- As you can see from the graph above this triage process which was initiated at the end
 of November 2021 has had a positive impact on the compliance rate in December
 2021.

•Significant harm identified in disclosure of requested information •Highly sensitive request topic •Current high media profile of request topic •Some harm identified in disclosure of requested information •Raised media profile of request topic •Low risk identified in disclosure of requested information •Request likely to be full refusal under the FOIA



 Response reviewed by Chief Constable (CC) or Deputy Chief Constable (DCC) prior to disclosure



 Response reviewed by Superintendent of Corporate Services prior to disclosure



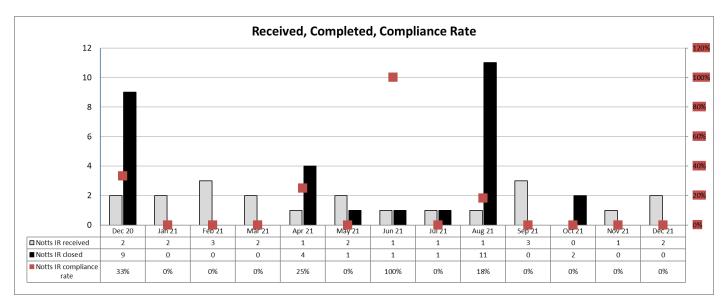
• No further review required prior to disclosure

4.4 Table 2 - FOI Internal Review Completion Figures from May 2020 to May 2021

All requestors have the right to an internal review if they are unhappy with the handling of a request for information, made under the FOIA. This could be because:

- an exemption was applied, meaning the request (or a part of it) was denied;
- the 20 working day deadline was not met;
- a full response was not provided; or
- the request was otherwise not handled correctly.

Unlike FOI requests, there is no statutory time frame for carrying out internal reviews, but we aim to provide a full response within 20 working days

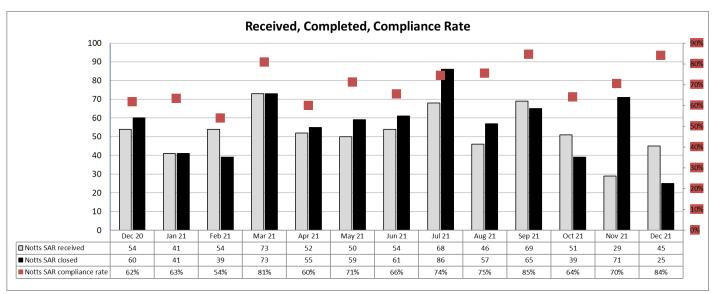


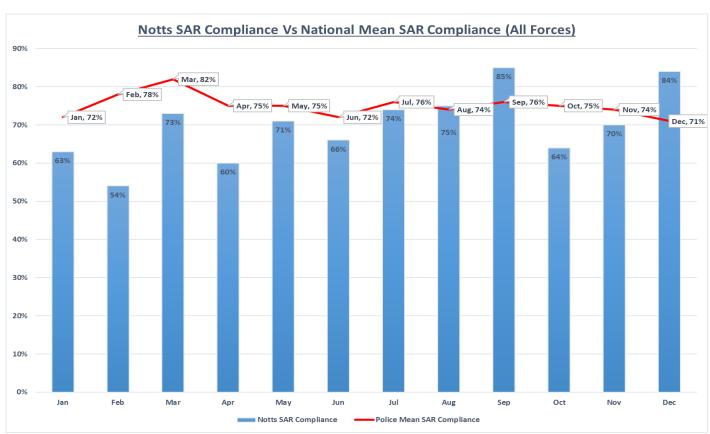
Current Demand Levels: Internal Reviews

The number of internal reviews remain small in comparison to the number of FOI
requests received each month which is a good indicator that the majority of FOI
requestors are satisfied with the responses they receive.

4.5 Table 3 - SAR Completion Figures from May 2020 to May 2021

The Force monitors compliance and provides quarterly statistics for Freedom of Information to the NPCC Central Referral Unit based in Hampshire. Since September 2019 compliance figures in respect of FOI and Subject Access requests have been provided to the Information Commissioners Office for performance monitoring purposes and are published on the ICO website.





Current Demand Levels: Subject Access Request

- We continue to find that requests are becoming more complex and voluminous in nature due to increased social awareness of GDPR and right of access provisions.
- We are finding the differences in compliance levels across the year are mainly the result of standard levels of absences relating to sickness, leave & training.
- We continue to work to reduce the backlog and maintain a compliance rating close to the Police Mean rate.
- SAR compliance continues on an upward trend, with the exception of a slight dip in October 2021, the last 6 months of 2021 show that we have exceeded or just fallen short of the national mean compliance rate as we aim to prioritise SAR disclosures in line with our workload of other information requests.

4.6 Table 4 - Other types of Information Requests

Category	Description	Time scale
Court Orders*	Court orders which can be received from any court in the UK and Ireland for Child Care, Private and Family Proceedings.	Can be required immediately or within days due to the threat, risk & harm of the case
CCrims Checks & Annex D's	2013 Protocol and Good Practice Model - Disclosure of information to Local Authorities on closed cases of alleged child abuse and linked criminal and care directions hearings into the Family Justice System.	-
Insurance	Validation of details in relation to crimes for insurer to settle claim	30 working days
Home Office	UK Border Agency and Immigration requiring confirmation and details of Police involvement for those wishing to stay in the country	40 calendar days
Housing Confirmation	Local and Social housing requiring confirmation of the reason given by the person who has presented to them as homeless.	10 working days
Housing General	As above but require more specific detail	40 calendar days
Insurance Appendix E	Insurance companies requiring information in relation to a claim that they believe is fraudulent	40 calendar days
NHS	General Medical Council, Nursing Midwifery Council require details of a registered practitioner who has been involved with the police to consider their fitness to practice	20 working days
Legal proceedings	Private legal proceedings such a personal injury claims	20 working days
Other Police Forces	Request from other forces for information held by Nottinghamshire Police	No set timescale as soon as is practicable
Schedule 2, Part 1, Paragraph 2: Crime and Taxation	Requests from other prosecuting bodies such as DWP, local authorities and RSPCA	20 working days

Current Demand Levels: Court Orders*

Between December 2020 and December 2021, Nottinghamshire Police received 1161 Court Orders. This is an increase of 46.37% from those received in the previous year. The rise in numbers of Court Orders being received by Police Force Disclosure/Request Teams in a national trend however Notts do appear to have seen a more significant increase in Court Orders received that our regional counterparts. Further work is required to understand where the demand is coming from e.g. is it predominantly Local Authority

Social Care Departments? We can then engage with the relevant stakeholders to see if there are options for managing this demand differently. The majority of all Court Orders received are responded to within the order deadline as they are prioritised over other types of request.

Requests for Court orders are always prioritised due to the risk of delays on cases being managed through the Family Court system if timely checks are not completed. This prioritisation impacts on the corresponding delays to the other types of request such as FOI's and Subject Access requests.

5	Financial	Implications	and Rudget	Provision
J	Fillalicial	IIIIDIICAUOIIS	and budget	FIUVISIUII

5.1 Based on the Information Management section of the Nottinghamshire Police List of Charges 2021/2022 at the end of December 2021 the amount charged for requests stands at £81,319. https://www.nottinghamshire.police.uk/sites/default/files/Charge Rates 2020-21.pdf

6 Human Resources Implications

6.1 There are no direct HR implications for this year

7 Equality Implications

7.1 There are no equality implications

8 Risk Management

8.1 Any risks relating to the FOI/DP function are identified on the Information Management Risk Register and managed locally. The Senior Information Risk Owner (DCC Barber) monitors all relevant risks via the Information Management Board

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 Links to Make Notts Safe Plan: Police & Crime Plan 2021-25:
 - 9.1.1 Responding efficiently and effectively to community needs and Supporting victims and survivors, witnesses and communities The benefits of providing a good service to the public and our partner organisations by responding to all types of information requests fully and within an acceptable timescale will support the Commissioners pledge to improve confidence and satisfaction in policing services. It will also reduce complaints to both the Information Commissioners office and PSD and reduce the resources required to respond to this failure demand.

10 Changes in Legislation or other Legal Considerations

N/A

11 Details of outcome of consultation

11.1 No consultation took place in preparing this report

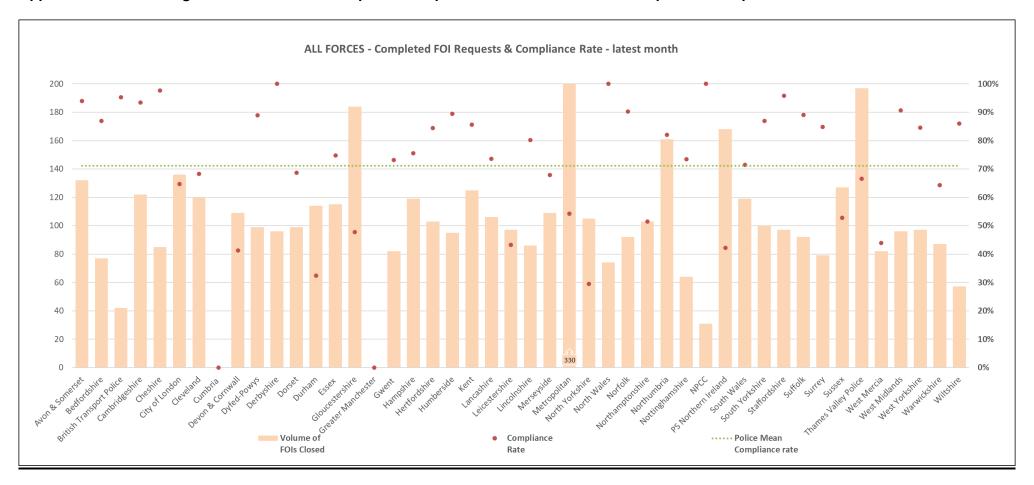
12. Appendices

- 12.1 Appendix 1 National Figures: Volume of FOI Requests completed in December 2021 & compliance rate per Force
- 12.2 Appendix 2 National Figures: Volume of Subject Access requests completed in December 2021 & compliance rate per Force

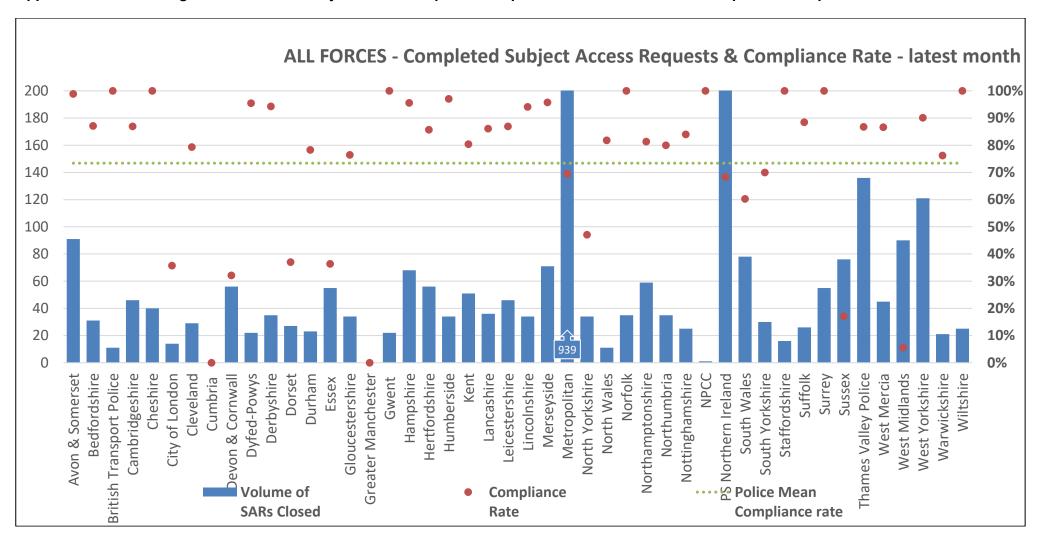
13. Background Papers (relevant for Police and Crime Panel Only)

13. No background papers have been provided

Appendix 1: National Figures: Volume of FOI Requests completed in December 2021 & compliance rate per Force



Appendix 2: National Figures: Volume of Subject Access requests completed in December 2021 & compliance rate per Force



For Information	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	28 February 2021
Report of:	Police & Crime Commissioner
Report Author:	Business Support Manager
E-mail:	Ruth.rolling@notts.police.uk
Other Contacts:	
Agenda Item:	16

^{*}If Non Public, please state under which category number from the guidance in the space provided.

Publication Scheme Monitoring, Review and Assurance

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the Joint Audit and Scrutiny Panel (the Panel) with assurance that the Nottinghamshire Office of the Police and Crime Commissioner is working in full compliance of the Freedom of Information (FOI) Act 2000 and The Elected Local Policing Bodies (Specified Information) Order 2011.
- 1.2 The FOI Act 2000 provides public access to information held by public authorities. It does this in two ways:
 - Public authorities are obliged to publish certain information about their activities; and
 - Members of the public are entitled to request information from public authorities.
- 1.3 The Elected Local Policing Bodies (Specified Information) Order 2011 ("the 2011 Order") specifies information which must be published by a Police and Crime Commissioner.¹

2. Recommendations

2.1 That the panel notes the report.

3. Reasons for Recommendations

- 3.1 The Panel have a responsibility to ensure that the Commissioner and Chief Constable discharge their legal obligations and responsibilities.
- 3.2 The public also hold Commissioners to account through being able to benchmark their performance and vote accordingly in elections. To help the public fulfil this role there are a number of separate pieces of information that Commissioners

¹ Elected Local Policing Bodies (Specified Information) Order 2011

- must publish to comply with The Elected Local Policing Bodies (Specified Information) Order 2011 such as data on salaries and contracts.
- 3.3 The CoPaCC monitors police governance in the United Kingdom.
- 3.4 Each year the CoPaCC team undertakes a review of England and Wales Police and Crime Commissioners' compliance with The Elected Local Policing Bodies (Specified Information) Order 2011.
- 3.5 The Nottinghamshire Office of the Police and Crime Commissioner was awarded the OPCC Transparency Quality Mark every year from 2015-2019. Unfortunately, due to a delay with the audit on the 2018/19 accounts, the PCC was not awarded the Transparency Quality Mark in 2020. CoPaCC were unable to complete an audit in 2021 but are hopeful to reinstate the audit in 2022.
- 3.6 Confirmation of the CoPaCC Transparency Quality Mark Award can be found via the Nottinghamshire Office of the Police & Crime Commissioner's website.

https://policinginsight.com/news/transparency-twenty-seven-opccs-recognised-for-excellence/

4. Summary of Key Points

- 4.1 The Office of the Police and Crime Commissioner received 44 requests for information between the period of 1 January 31 December 2021. Details of the requests are published on the Police and Crime Commissioner's website.
- 4.2 90.2% of the requests for information were responded to within the 20 working day deadline.
- 4.3 The Office of the Police and Crime Commissioner is compliant with the Elected Local Policing Bodies (Specified Information) Order 2011. The information is detailed on the Police and Crime Commissioner's website via the website address:

http://www.nottinghamshire.pcc.police.uk/Get-in-touch/Freedom-of-Information/Publication-Scheme.aspx

4.4 The Order is reviewed by the Business Support Manager on at least a quarterly basis to ensure information is up to date and accurate.

5. Financial Implications and Budget Provision

5.1 None

6. Human Resources Implications

6.1 None

7.	Equality Implications
7.1	None
8.	Risk Management
8.1	None
9.	Policy Implications and links to the Police and Crime Plan Priorities
9.1	None
10.	Changes in Legislation or other Legal Considerations
10.1	None
11.	Details of outcome of consultation
11.1	None
12.	Appendices
12.1	None
13.	Background Papers (relevant for Police and Crime Panel Only)
13.	N/A

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	28 th February 2022
Report of:	DCC Barber
	Charlie Radford, Chief Finance Officer OPCC
Report Author:	Laura Spinks, Force Assurance Lead
	Amanda Froggatt, Head of Corporate Development
E-mail:	Laura.spinks@notts.police.uk
	Amanda.froggatt@notts.police.uk
Other Contacts:	
Agenda Item:	17

Joint Audit and Scrutiny Panel Proposed Work Plan 2022

1. Purpose of the Report

1.1 The purpose of this report is to present the proposed work plan for the Joint Audit and Scrutiny Panel for 2022.

2. Recommendations

- 2.1 It is recommended that Joint Audit and Scrutiny Panel members note the report and attached appendix and agree the contents.
- 2.2 It is also recommended that members of the Joint Audit and Scrutiny Panel note the key themes identified to accompany each of the Force Audit and Inspection reports.

3. Reasons for Recommendations

3.1 To enable the Panel to fulfil its scrutiny obligations with regard to Force activity.

4. Summary of Key Points

- 4.1 The proposed work plan has been discussed with members and prepared based on the business planning cycle for both the Office of the Police and Crime Commissioner (OPCC) and Nottinghamshire Police.
- 4.3 The proposed Joint Audit and Scrutiny work plan has been prepared in consultation with the Chief Finance Officer to fulfil our statutory obligations with regards to reporting in these areas of business.

5. Financial Implications and Budget Provision

5.1 There are no financial/budget implications arising from this report.

6. Human Resources Implications

6.1 There are no direct HR implications as a result of this report.

7. Equality Implications

7.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case by case basis.

8. Risk Management

8.1 There are no risk management issues arising from this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 Any policy implications will be subject to current policy development process.

10. Changes in Legislation or other Legal Considerations

10.1 There are no direct legal implications as a result of this report.

11. Details of outcome of consultation

11.2 The proposed work plan has been produced in partnership between the Force and the OPCC.

12. Appendices

12.1 Appendix 1: Proposed Joint Audit and Scrutiny Panel Work Plan 2022.

DRAFT JOINT AUDIT AND SCRUTINY PANEL WORK PLAN 2022

February 2022 – DRAFT STATEMENT OF ACCOUNTS		
Force Assurance Mapping Report	Annually	Force – Laura Spinks
New Internal Audit Plan 2022/23	Annually	Mazars, Mark Lunn
DRAFT Statement of Accounts Group and CC	Annually	OPCC – CFO
OPCC Update Report	Each Meeting	OPCC – Dan Howitt
Budget Reports (for information) Treasury Management Strategy Reserves Strategy Capital Report MTFS Budget Report	Annually	OPCC – CFO
Final External Audit Plan	Annually	Ernst and Young
Internal Audit Progress Report	Each Meeting	Mazars – Mark Lunn
Update on actions from audits, inspections and reviews (Includes Internal audit, External Audit, HMICFRS, AGS improvements) Key theme for Force Audit Report – Summary of completed and future ADA proposals	Each meeting	OPCC - where appropria Force – Laura Spinks
OPCC Report on Compliance with Freedom of Information Requests and the Specified Information Order	6-Monthly	OPCC – Ruth Rolling
Force Assurance Report on Compliance with Freedom of Information and Data Protection Requests	6-Monthly	OPCC – Pat Stocker
Force Report on Monitoring, Review and Assurance of the Publication Scheme	6-Monthly	Force – Pat Stocker

Annually	Mazars, Mark Lunn
Annually	OPCC – CFO
Annually	OPCC – CFO
	Force – Laura Spinks
Annually	Ernst and Young
6-Monthly	OPCC - Chief Executive
	Force – Laura Spinks
Each meeting	OPCC - as required Force – Laura Spinks
Each Meeting	OPCC – Dan Howitt
6-Monthly	Force – Supt PSD
6-Monthly	Force – Supt PSD
6-Monthly	Force – Supt PSD
	6-Monthly Each meeting Each Meeting 6-Monthly 6-Monthly

Force Report on Business Continuity Compliance and Assurance Testing and Exercising	Annually	Force – Laura Spinks/ Andy Burton
Force Treasury Update Report to show compliance with Treasury Management Strategy	Annually	OPCC – CFO
Revenue & Capital Outturn Reports		Force

July 2022 - DRAFT STATEMENT OF ACCOUNTS		
Draft Force Statement of Accounts 2021/2022	Annually	OPCC – CFO
Draft Group Statement of Accounts 2021/2022		Force – Mark Kimberley
Internal Audit Progress Report	Each Meeting	Mazars, Mark Lunn
Update on actions from audits, inspections and reviews (Includes Internal audit, External Audit, HMICFRS, AGS improvements) Key theme for Force Audit Report – Serious Youth Violence	Each meeting	OPCC - as required Force – Laura Spinks
Review Working Together Agreement incorporating SoD, Fin Regs and SOs	Annually	OPCC – Chief Executive
OPCC Report on Compliance with Freedom of Information Requests and the Specified Information Order	6-Monthly	OPCC – Ruth Rolling
Force Assurance Report on Compliance with Freedom of Information and Data Protection Requests	6-Monthly	Force – Pat Stocker
Force Report on Monitoring, Review and Assurance of the Publication Scheme	6-Monthly	Force – Pat Stocker
PCC Update Report	Each Meeting	OPCC – Dan Howitt

30 SEPTEMBER 2022 – FINAL ACCOUNTS MEETING					
	Final Force Statement of Accounts 2021/2022	Force	Force – Mark Kimberley		
	Final Group Statement of Accounts 2021/2022 (OPCC and Force AGS to be incorporated)	OPCC	OPCC – CFO		
	External Audit ISA260 Report	Annually	Ernst & Young		
	Internal Audit Progress Report	Each Meeting	Mazars, Mark Lunn		

Internal Audit Progress Report	Each Meeting	Mazars, Mark Lunn
Summary set of Accounts for Publication	Annually	OPCC – CFO
Review of OPCC Risk Management arrangements	6-Monthly	OPCC – Chief Executive
Review of Force Risk Management arrangements		Force – Laura Spinks
Key Theme for Risk – To be confirmed		
Update on actions from audits, inspections and reviews (Includes Internal audit, External Audit, HMICFRS, AGS improvements) Key theme for Force Audit Report – To be confirmed	Each meeting	OPCC - Where appropriat
Annual Audit Letter – External Audit	Annually	Ernst and Young
PCC Update Report	Each Meeting	OPCC – Dan Howitt
PCC Report on Complaints, Investigations, New and Open Cases	6-Monthly	Force – Lisa Gilmour
Force Report on Complaints and Misconduct, Investigations, New and Open Cases	6-Monthly	Force – Supt PSD

Force Report on IOPC Investigations, Recommendations and Actions	6-Monthly	Force – Supt PSD
Force Report of Whistle Blowing and Anti-Fraud and Corruption Policies and Review of Compliance.	6-Monthly	Force – Supt PSD
Draft JASP Work Plan for 2023/24	Annual	Force – Laura Spinks

Review of key areas to support Corporate Governance arrangements: (review of requirements to be finalised and then prioritised. Areas to be identified for reports or internal audits and will be informed by assurance mapping)

Sources of assurance to include:

- Effectiveness of partnerships
- Monitor the application of the pension schemes
- Review of delegated powers
- Review Register of Interests
- Financial Management/Financial Systems
- Legislative change
- Scheme of delegation
- Annual report from PSD on their activity i.e. no of dismissals final letters and nature of the event
- By exception report on Insurance Claims covering Public Liability, Employer's Liability, Motor Liabilities including Costing and Lessons Learned
- By exception report on Outcomes of Public Finance Initiative Contracts