



**DRAFT**

**ANNUAL GOVERNANCE STATEMENT**

**2012-13**

## 1. SCOPE OF RESPONSIBILITIES

- 1.1 The Nottinghamshire Police & Crime Commissioner (Commissioner) is responsible for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.2 The Commissioner also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.3 In discharging this overall responsibility the Commissioner is responsible for putting in place suitable arrangements for the governance of the organisations affairs, which facilitate the effective exercise of its functions and include arrangements for the management of risk.
- 1.4 The Commissioner has approved and adopted jointly with the Chief Constable a Joint Corporate Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. A copy of our code is available on our website at [www.nottinghamshire.pcc.police.uk](http://www.nottinghamshire.pcc.police.uk) or from:

The Nottinghamshire Office of the Police & Crime Commissioner  
County Hall  
West Bridgford  
Nottinghamshire  
NG2 7QP

This statement explains how we have followed the code and also meets the requirements of the Accounts and Audit (England) Regulations 2011.

## **2. THE AIM OF THE GOVERNANCE FRAMEWORK**

- 2.1 The governance framework is basically the systems and processes, and the culture and values, we are controlled by and which we answer to, get involved with and lead the community. The framework allows us to monitor how we are achieving our long-term aims, and to consider whether our aims have helped us deliver appropriate services that are value for money.
- 2.2 The system of internal control is an important part of the framework and is designed to manage risk to a reasonable level. It cannot remove all risk of failing to achieve our policies and aims, so it can only offer reasonable protection. The system of internal control is based on an ongoing process designed to:
- Identify and prioritise risks that could prevent us from achieving our policies and aims
  - Assess how likely it is that the identified risks will happen, and what will be the result if they did;  
and
  - Manage the risks efficiently, effectively and economically

We have had a governance framework in place for the year ended the 31<sup>st</sup> March 2013 and up to the date of approval of the annual statement of accounts.

## **3. THE GOVERNANCE FRAMEWORK**

Our governance framework is made up of many systems, policies, procedures and operations we have in place to do the following:

### **3.1 *Introduction***

The Policing and Social Responsibility Act 2011 (the Act) introduced one of the biggest changes in governance arrangements for policing. The act created two legal entities the Police & Crime Commissioner and the Chief Constable.

The Chief Constable retained the responsibility for operational policing whereas; the Commissioner has the responsibility for the totality of policing in the area. The Commissioners responsibilities were also extended to include crime prevention and the protection of vulnerable people and victims.

The Commissioner was elected on 15<sup>th</sup> November and took up post on the 22<sup>nd</sup> November 2012. All assets, liabilities and staff were transferred directly from the former Police Authority to the Commissioner and for accounting purposes the Commissioner and Chief Constable assumed responsibility retrospectively as though they had been legal entities since 1<sup>st</sup> April 2012.

### **3.2 *Publish our aims for local people and others who use our services***

We have created a Police & Crime Plan, which builds upon the promises made by the Commissioner during his election. The plan sets out our priorities for the next five years, focusing on achieving seven priorities which aim to make communities safer and place victims at the centre of what we do. The plan reflects the time period covered by the Medium Term Financial Plan (MTFP).

The Police & Crime Plan is based upon the following seven priorities:

- Protect, support and respond to victims, witnesses and vulnerable people
- Improve the efficiency, accessibility and effectiveness of criminal justice processes
- Focus on areas most affected by crime and antisocial behaviour
- Reduce the impact of drugs and alcohol on crime and antisocial behaviour
- Reduce the threat from organised crime
- Prevention, early intervention and reduction in reoffending
- Spending your money wisely

These priorities build upon the Commissioners vision of giving victims and citizens a bigger voice in policing to achieve a safer Nottingham and Nottinghamshire.

The plan was built after listening to members of the public and with our partners. It includes the requirement of each organisations strategic assessments, incorporating regional and national requirements in relation to policing and crime. The performance measures and targets within the plan have all been agreed with partners and the force.

### 3.3 ***Review our aims and the effect they have on our governance arrangements***

We have worked hard to communicate (and receive feedback on) our aims for the community. We have done this a number of ways, including:

- The Commissioner listened to the public during his campaign and this informed his plans on what he wanted to deliver through the Police and Crime Plan. For example, he promised 150 extra police officers and 100 extra PCSO's. Recruitment plans have been put in place to deliver this and the resources prioritised within the budget.
- The Commissioner has also instigated a number of review/scrutiny pieces of work to build upon the Police and Crime Plan priorities such as a review of BME Recruitment and Retention, Base Budget Review, Domestic Violence, Restorative Justice, Criminal Justice processes and Alcohol.
- However, this is not all - since coming into post the Commissioner has listened to partners, the public and the force on what are emerging issues and started working with people on areas such as taxis in the City Centre, Alcohol, Mental Health issues particularly in custody and community safety issues relating to the Forest Recreation Ground.
- The Commissioner and Deputy Commissioner have attended meetings with community groups across the City and County and many public events during their first 6 months of office. This work is informing them of the priorities they will be implementing in the next police and crime plan update.
- Focus groups were held with ASB victims and members of the public in relation to the draft police & crime plan priorities and the precept.
- An on-line survey was used for consulting on the precept and a telephone survey was undertaken in relation to the plan and the precept.
- Public meetings have been held with a variety of groups, to discuss a variety of issues and at a variety of venues - for example with the Asian Youth Group, the City Council Youth Cabinet, Broxtowe Youth Council, Women's groups and at African Caribbean National Artistic Centre.

- The Commissioner has held discussion groups and web chats with young people and undertaken patch walks across the City and County.
- The Commissioner and OPCC staff have attended events across the City and County, promoting the PCC elections in 2012 and with an Alcohol Survey in 2013.

We use feedback that we receive from all sources to help inform decisions. Feedback that the Commissioner received in the election period resulted in us setting our outcomes, which reflect our communities top priorities of improving antisocial behaviour, supporting our vulnerable people and victims of crime and increasing community safety.

### **3.4 *Measure the quality of our services and make sure we provide them in line with our aims and that they provide value for money***

The Commissioner is provided with weekly briefings on performance and formally holds the Chief Constable to account for performance in the Strategic Resources and Performance meetings that are held in public venues around the County and City.

The Commissioner is also briefed on a monthly basis on expenditure against the budget. The Chief Finance Officer to the Commissioner also advises on any changes and emerging issues that could impact on the Medium Term Financial Plan.

In addition to the Strategic Resources and Performance meetings the Joint Audit and Scrutiny Committee receives updates on performance and financial monitoring and the Police & Crime Panel receive update reports from the Commissioner.

The Commissioner has instigated several pieces of review/scrutiny work, drawing on professionals in the field and community representation. Such areas of work under review include:

- BME representation within the force and the use of stop and search in BME communities.
- Base Budget Review – an in-depth analysis of the current budget to identify where savings can be made and how to align the budget with police & crime priorities. This will also ensure value for money.
- Alcohol Strategy – the aim to devise a Countywide (including the City) Joint Alcohol Strategy.

- Restorative Justice – A review into its use and any improvements that can be made.
- Transforming Rehabilitation – A review with interested stakeholders within Nottinghamshire and the region following the announcement of reform of probation by the Government.
- Mental Health – A review on an area of work that has increasing demands being made on policing resources as all agencies are affected by reducing resources.

The reports from these pieces of work will be presented to the Audit & Scrutiny Panel and the recommendations will be monitored by the Panel.

### 3.5 ***Ensuring a High Quality Service***

The Police and Crime Plan is based upon the Commissioners values which are:

Victims -	by listening and taking action to protect and safeguard vulnerable people.
Openness-	by putting victims and public at the heart of open and transparent decision-making.
Inclusiveness-	by working effectively with communities and business to tackle crime and anti social behaviour.
Communities -	by ensuring fairness, respect and accountability to victims and communities.
Empowering -	by engaging with victims and communities to help shape policing services and building partnerships.

The Plan itself incorporates national, regional and local requirements into the seven priorities and details how these will be met, measured and monitored. Specific targets for the force and partners are included in this and the overall measure of success will be the improvement in victim satisfaction and public confidence.

Each year the Commissioner will produce an annual report detailing how well performance against the plan is progressing. A copy of the Annual Report is available on the Commissioners website.

### 3.6 ***Ensuring Value for Money***

In times of austerity there is a great deal of focus on the “money” and how it is being spent. The Commissioner wanted to do more than this and has implemented a base budget review on the principles of priority based budgeting. This means that no budget is protected; each element of expenditure must demonstrate that it is being used in the achievement of the police and crime plan and in doing this is the work being done at the most economic level.

This review should identify where and how further savings can be achieved. It will link closely with the vision of the Commissioner for putting victims at the heart of what we do and what policing in Nottinghamshire will look like in 2016-17.

The review will be the start of a process involving all staff, officers and partners in continuously looking at what service we provide, how we provide them and at what cost. Thereby putting value for money at the heart of decision making.

The Commissioner is also commissioning working with partners and the third sector. Each commissioning agreement requires performance details and achievement. Similarly, the Grant monies that are being allocated to community groups and the third sector also have a requirement to achieve performance linked to the Police and Crime Plan.

The Commissioner is also the Regional PCC representative on the Regional Efficiency Board, ensuring regional activities continue to drive and further savings over the medium term financial period.

### 3.7 ***Working Together***

As has been reported in previous sections the Commissioner is listening to victims, communities and partners and this is at the heart of how he does business. He is involving people from across these areas to develop and work with him in bringing about improvements.

Each partnership, commissioning agreement, grant agreement and review work terms of reference link to the clear achievement of the police and crime plan priorities. These agreements clearly define responsibility of each participant.



Regionally the five PCC's and forces collaborate to ensure resilience and deliver value for money. This is done under Section 22 agreements.

The "Act" required PCC's to put a Scheme of Delegation in place to ensure the business continued to run smoothly. There was one significant change relating to this in that delegations could no longer be made to the Chief Constable (or any constable) and therefore have been made to specific members of staff employed by the Commissioner, but some of whom are under the direction and control of the Chief Constable. The scheme of delegation is approved and operating effectively.

The OPCC and force also have a working relationship agreement, bringing clarity to the service required by the OPCC from functions under the Chief Constable's director and control.

### **3.8 *Ensuring High Standards of Conduct and Behaviour***

There are a number of ways that this is achieved:

- The Commissioner, Deputy Commissioner, Chief Executive and Chief Finance Officer have published declarations of interest on the OPCC website.
- Details of salaries and expenses claimed are also published on the website.
- A gifts and hospitality register is in place for all staff and members of the OPCC to record details of all offers made and this is reviewed annually.
- Members of the Joint Audit and Scrutiny Panel and staff attending the Strategic Resources and Performance meeting are required to make declarations of interest where appropriate and that these are formally minuted.
- Professional bodies code of conduct that staff have to comply with (eg Chartered Institute of Public Finance and Accountancy) are part of what we do.
- A complaints procedure is in place for complaints against the Commissioner, Deputy Commissioner, staff and members in the OPCC and the Chief Constable.
- An anti-fraud and anti-corruption policy is in place and reported on annually to the Audit Commission.
- Financial Regulations are in place together with standing orders for Land and Property.

All of these together with other policies and the culture of working in the OPCC ensure the high standards of conduct and behaviour.

### 3.9 ***Decision Making Transparency***

All decisions not specifically delegated are made by the Police and Crime Commissioner. There are two ways in which decisions can be made, either:

1. In a public meeting of Strategic Resources and Performance, where minutes are taken recording decisions made. These minutes are published on the website.
2. In day-to-day management activity by the Commissioner. This is done by a report with any required supporting information and Executive Decision Record being completed and submitted to the Commissioner. Once approved the decision record is published on the website.

The PCC refers to the professional officers within the OPCC to inform the decisions being made.

In addition to decision making is the role of the Joint Audit and Scrutiny Panel. It receives reports and can make recommendations to the Commissioner on issues relating to audit and inspection, risk management, recommendations from other sources such as scrutiny working groups and governance.

The strategic risks of the OPCC are incorporated in the joint strategic risk register that is reported regularly to the Joint Audit and Scrutiny Panel.

All significant public interest decisions are published on the Commissioners website.

### 3.10 ***Developing Capacity and Capability***

Staff within the OPCC were directly transferred from the former Police Authority, bringing those skills with them. However, in certain areas the work has changed we no longer require members support and communication particularly in social media areas is now more important.

A gap analysis was undertaken to ensure that either the OPCC staff or staff within the force could work to ensure the statutory requirements for the OPCC are met. This identified the need for a Commissioning Manager, Executive Support Officer and a Communications and New Media Assistant.

As part of this review all job descriptions have been updated and skills-matching is being undertaken in line with the agreed policies.

In addition to this the Commissioner has been supportive of a new scheme for CIPFA Graduate Trainees. This is a scheme where trainees rotate across local authorities' fire and police and partnering authorities share the resource and cost. This ensures good quality trainees within the finance function that will have received a good and varied experience across local government, fire and police. Providing financial managers for the future.

Members of the Joint Audit and Scrutiny Panel have planned inductions with staff and senior management in the force and OPCC. Internal audit and external audit will also provide training on their roles and the roles of the members in providing an effective Audit Panel. CIPFA are also going to provide their training course to members in the region in September and this will allow networking.

### 3.11 ***Engagement***

Throughout the previous sections you will have seen that engagement with all people in our communities, in business, in third sector organisations, in partners and in our own staff and police officers is very important to us.

We are constantly striving to ensure inclusion of all stakeholders especially in driving improvement in community safety that is important to you.

We encourage you to complete our surveys and questionnaires which we have at public events and on line.

The Commissioner is committed to establish two stakeholder boards to xxx stakeholders to have a direct influence and voice over policing priorities and how resources are allocated.

How the Commissioner proposes to engage with the public and victims of crime is set out in the published Community Engagement and Consultation Strategy. This document can be found on the Commissioners website.

#### **4. REVIEW OF EFFECTIVENESS**

- 4.1 The Office of the Police and Crime Commissioner (OPCC) has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including:
- The system of internal audit
  - The system of internal control

The review by the OPCC has two elements to it. Firstly, it has to be satisfied that the process put in place by the Chief Constable for the force' assurance review is adequate and reliable. This was done through a joint consultation early in the review process.

Secondly, is the process upon which the OPCC can rely. This consists of obtaining individual assurances from the Chief Constable, the ACO Resources, the Chief Executive and the Chief Finance Officer, together with the annual assurance provided by the internal auditors and regional DCC.

In addition to this a review based upon the use of resources self assessment principles and the schedule provided in the CIPFA/SOLACE framework has been developed and completed. Providing links to documentary evidence.

- 4.2 The comments made on the assurance forms are incorporated where applicable in the accounts and action plans. For example contingent liabilities and accruals have been made where appropriate.
- 4.3 The Chief Finance Officer has had responsibility for reviewing and updating the Scheme of Delegation and Financial Regulations during the year to ensure they were fit for purpose and met the new requirements of the Act. The reviewed delegation and regulations have been approved by the Commissioner, but will require further review and changes once the implications of the Stage 2 transfer are understood.
- 4.4 The internal auditors produce reports for the Joint Audit & Scrutiny Panel throughout the year and use this work to inform their annual assurance opinion in their annual report. For 2012-13 they have rated the assurance level as adequate.
- 4.5 The work of the HMIC is also reported to the Joint Audit & Scrutiny Panel and the force produce regular reports to the panel on the implementation of all audit and inspection recommendations.
- 4.6 Other assurance mechanisms include the Regional meeting of Commissioners and Chief Constables and the Police & Crime Panel.

## **5. SIGNIFICANT GOVERNANCE ISSUES**

### ***FINANCIAL CLIMATE***

- 5.1 This continues to dominate the public sector risk registers. The current Comprehensive Spending Review (CSR) required up to 20% cuts in grant funding to 2014-15. On 26<sup>th</sup> June 2013 a further CSR is to be announced for 2015-16 and the indications to date are that The Home Office will have their resources cut by up to a further 10% and the police and crime budget accounts for 75% of their expenditure.
- 5.2 To date the force has delivered savings on average of £10m per annum. A 10% cut in 2015-16 will create a funding gap of £18.5m, with a potential for another £11m needing to be found in 2016-17.
- 5.3 There are further risks that could impact on the above estimates for example the impact of the Single Rate Pension from April 2016 this could put an additional cost of £3.5m in the budget.
- 5.4 We are also limited in any other mitigation that we could take. Council Tax referendum limits are being set low and the freeze grant ceases in 2015-16.
- 5.5 We are further impacted by the localisation of council tax – the billing authorities in response to the Governments limited delegation, have made decisions that have significantly reduced the tax base estimates and therefore the amount to be raised through the precept.
- 5.6 Whilst funding continues to reduce it is imperative that good governance structures and processes continue to operate in the OPCC and Force.

### ***PERFORMANCE***

- 5.7 Performance continued to improve during 2012-13. However, targets to become the best performing force are stretching and further cuts in resources available may impact on delivery of this objective.
- 5.8 The support of the Commissioner in increasing the numbers of offices and PCSO's and working closely with partner organisations does mitigate this currently.

## ***HUMAN RESOURCES***

- 5.9 The “turning” back on of recruitment has put an additional strain on the resources. There are plans to regionally collaborate on HR transactional services which may affect the continuing recruitment plans. We will continue to monitor this.
- 5.10 BME recruitment and retention to reflect the communities of Nottinghamshire continues to be a cause for concern and the force positive action campaigns’ will continue to be reviewed.
- 5.11 A contingent liability has been identified within the statement of accounts relating to the application of regulations A19 during 2011-12.

## ***STAGE 2 TRANSITION***

- 5.12 This will bring further changes to governance arrangements and will require changes to the existing scheme of delegation, financial regulations and all jointly owned policies.
- 5.13 A board of senior management has been put in place to develop the transfer order for the Home Secretary and ensure a smooth transition.

## ***INFORMATION GOVERNANCE***

- 5.14 The arrangements for information governance need to be reviewed and improved to provide the assurance needed by the Commissioner.



Nottinghamshire

**POLICE & CRIME COMMISSIONER**

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## **ANNUAL ASSURANCE STATEMENT**

**2012-13**

**SIGNED:**

**Mr Paddy Tipping  
Police & Crime Commissioner  
Xx September 2013**

**Mr Kevin Dennis  
Chief Executive - OPCC  
Xx September 2013**

**Mrs Charlotte Radford  
Chief Finance Officer – OPCC  
Xx September 2013**