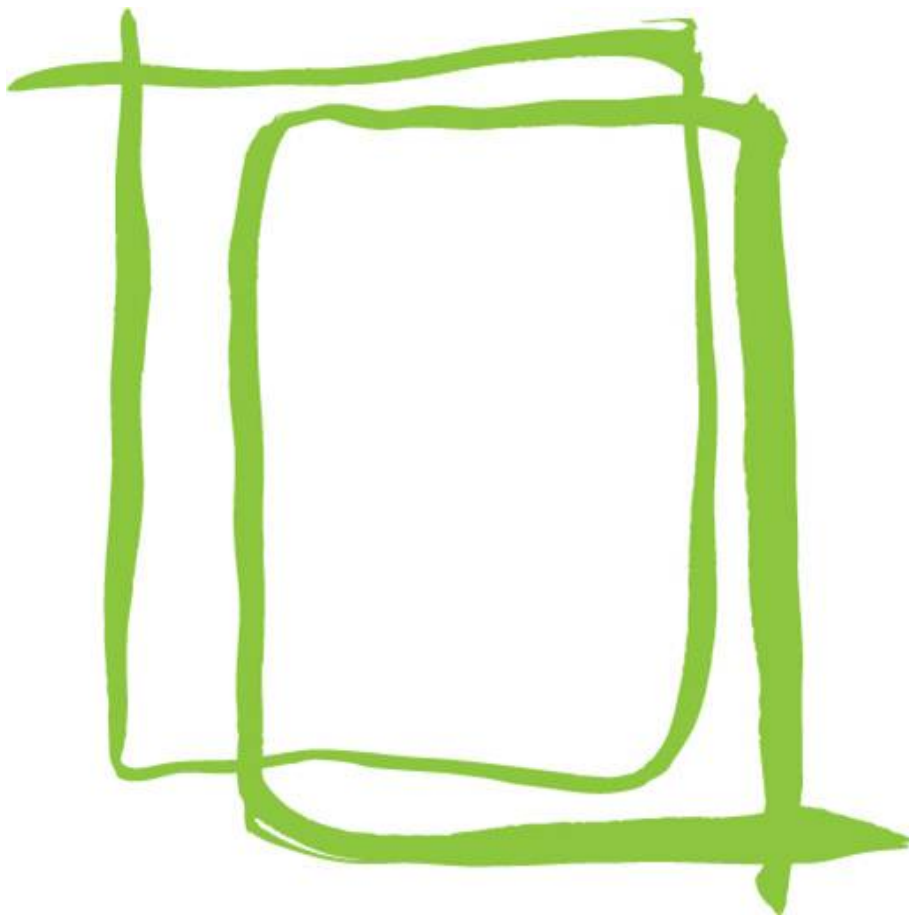


Use of Resources

Lancashire Police Authority

Audit 2008/09

November 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Summary

This report summarises our key findings from our assessment of how Lancashire Police Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people.

- 1 Our assessment of how well the Constabulary and the Authority are managing and using their resources to deliver value for money and better and sustainable outcomes for local people is now complete. The basis of the assessment has changed in 2009 and defines use of resources in a broader way than previously, embracing the use of natural, physical and human resources. It also places new emphasis on commissioning services for local people and achieving value for money.
- 2 Lancashire Police Authority received an overall score of 3 for its use of resources which means the Authority exceeds minimum requirements and is performing well.
- 3 Our detailed findings are shown in Appendix 1.

Introduction

- 4 This report sets out my conclusions on how well Lancashire Police Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people and gives scored use of resources theme judgements.
- 5 In forming my scored theme judgements, I have followed the methodology set out in the [use of resources framework: overall approach and key lines of enquiry \(KLOE\) document](#) and the use of resources [auditor guidance](#). For each of the specific risks identified in relation to our use of resources work, which were set out in our audit plan, we considered the arrangements put in place by the Authority to mitigate the risk and planned our work accordingly. This work is now complete.

Use of resources framework

- 6 From 2008/09, the new use of resources assessment forms part of the [Comprehensive Area Assessment \(CAA\)](#) and comprises three themes that focus on:
 - sound and strategic financial management;
 - strategic commissioning and good governance; and
 - the management of natural resources, assets and people.
- 7 The scores for each theme are based on the scores reached by auditors on underlying KLOE. The KLOE are generic and applicable equally to all organisations subject to use of resources judgements under CAA. This promotes consistency, demonstrating all organisations within a CAA area are treated in the same way, and to the same standards.
- 8 The Commission specifies in its [annual work programme and fees document](#), which KLOE are assessed over the coming year.
- 9 Judgements have been made for each KLOE using the Commission's current four point scale from 1 to 4, with 4 being the highest, please see Table 1. Level 1 represents a failure to meet the minimum requirements at level 2.

Introduction

Table 1 **Levels of performance**

Level 1	Does not meet minimum requirements – performs poorly
Level 2	Meets only minimum requirements – performs adequately
Level 3	Exceeds minimum requirements – performs well
Level 4	Significantly exceeds minimum requirements – performs excellently

Source: [use of resources framework: overall approach and KLOE document](#)

Use of resources judgements

Scored judgements

10 Lancashire Police Authority's use of resources theme scores are shown in Table 2.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances How effectively does the organisation manage its finances to deliver value for money?	3
Governing the business How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?	3
Managing resources How well does the organisation manage its natural resources, physical assets and people to meet current and future needs and deliver value for money?	3

Managing finances

- 11 The Authority can demonstrate strong financial planning and management over a number of years within tight financial constraints, whilst continuing to deliver strategic objectives. These objectives are based on both national priorities, and local issues identified via robust and detailed community engagement across all stakeholders. There is clear evidence of the management of investment to deliver specific priorities such as neighbourhood policing and protecting people.
- 12 The Authority and Constabulary have a detailed understanding of comparative costs and spending. Good use is being made of benchmarking and analysis of unit costs to challenge performance and this has resulted in improved services and value for money. Effective use has been made of a wide variety of alternative service delivery models to enhance capacity, improve performance and reduce costs. Joint planning and delivery of services is helping to deliver economies of scale and boost capacity. For major decisions there is evidence that the Constabulary has taken account of wider social, environmental and economic factors although more needs to be done to build sustainability into commissioning and procurement practices.

Use of resources judgements

- 13 Budgets are devolved and divisional commanders are given the flexibility to engage with local people in their areas and shape local priorities accordingly. There is an appropriate level of scrutiny of expenditure by both senior officers and members. The Authority has a strong track record of managing resources within budget and this is supported by timely and reliable financial monitoring information for both members and officers. There is clear identification of variances and action plans are used to bring budgets back into line whilst still delivering planned objectives and without impacting on other areas. The Authority and Constabulary provide information in alternate formats to the community and there is evidence of positive feedback in relation to this.

Recommendation

- R1 The Authority needs to ensure commissioning and procurement practices take account of wider sustainability issues.

Governing the business

- 14 The Policing Plan sets out a very clear vision and understanding of local policing priorities. There is a good understanding of diverse communities and targeted responses through neighbourhood policing are delivering benefits. Procurement is linked to wider policing priorities, and improvements in value for money from both strategic and low cost procurement activity can be demonstrated. However, the existing purchasing policy and procedures were developed in January 2005 and now need updating. The Constabulary has recently purchased the police i-procurement package and subscribes to the Police Blue Light e-tendering package but there is scope to do more to secure the full benefits of these packages.
- 15 Arrangements for collecting, recording and reporting data are integrated into business planning and management processes. The Authority and Constabulary use performance data as part of routine performance monitoring arrangements to focus attention on under-performing service areas.
- 16 The Authority promotes the ethical agenda and has developed a joint assurance framework with the Constabulary. A joint working group has been established to ensure compliance with the principles of good governance and oversee any development in this area. Members receive comprehensive training when they join the Authority including ethics training. The Police Authority and Constabulary are clear about their joint goals and ambitions.
- 17 Although good outcomes from partnership working can be demonstrated, there is scope to improve partnership governance arrangements. The Authority is in the process of developing a corporate framework for the management of the Constabulary's major partnerships. This includes assessing the benefits of partnership activity and developing effective systems to monitor the Authority and Constabulary's involvement in partnerships and the value they are adding to the achievement of policing objectives. The Authority should ensure there are formally documented governance arrangements in place for all significant partnerships.

- 18** A risk management policy is in place and there are arrangements to identify and manage risks across the organisation and corporately. There is clear ownership of risk at all levels across the Constabulary, and the Authority is represented at senior level in the Planning Working Group (which has responsibility for overseeing risk management). A high priority and profile is given to anti fraud and corruption within the Constabulary and PSD work to further promote this. The Constabulary’s operational partnerships have been mapped and a risk matrix produced although there is some further work required to fully embed the principles of risk management within partnership arrangements.

Recommendations	
R2	The Constabulary need to review and update the purchasing policy and procedures.
R3	Ensure the police i- procurement package and Police Blue Light e-tendering package are used to their full potential where appropriate.
R4	The Authority and Constabulary need to ensure the corporate framework for the management of partnerships becomes fully embedded.
R5	The Authority and Constabulary should ensure there are formally documented governance arrangements in place for all significant partnerships.
R6	The Authority and Constabulary should ensure the principles of risk management are fully embedded within partnership working.

Managing resources

- 19** The Constabulary has arrangements in place to help ensure it has a skilled and productive workforce. Policies and procedures to ensure good staff management are in place and managers and staff are trained in the use of these. There are development and training opportunities to ensure that officers and police staff are capable and competent to perform their roles and respond to changing service demands.
- 20** Performance Development Reviews are embedded. There are annual costed Human Resource and Learning and Development Plans in place. Longer term workforce planning can be demonstrated in the medium term financial planning (five years) and in plans for ill health retirements (two years). There is currently no plan which specifically identifies staffing need over the next three to five years and how this will be achieved. There is evidence of effective engagement and consultation with staff. The approach to diversity and equality is good and is beginning to have impact, with the Constabulary receiving recognition through external awards and standards.

Recommendation	
R7	The Constabulary should be able to clearly demonstrate workforce needs over a three to five-year period and have plans in place to achieve this.

Use of resources judgements

Detailed findings

- 21 The key findings and conclusions for the three themes, and the underlying KLOE, are summarised in Appendix 1.

Use of resources 2009/10

- 22 The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my 2009/10 value for money conclusion. In my letter of 23 April 2009 about the audit fee for 2009/10, I identified one risk in relation to my value for money conclusion. For each risk, I consider the arrangements put in place by the Authority to mitigate the risk and plan my work accordingly.

Table 3 Initial risk assessment

Risk	Planned work	Timing of work
<p>Managing natural resources This is an area which has not been reviewed in detail previously.</p>	<p>We will undertake some early work in this area to review the Authority's arrangements for managing natural resources.</p>	<p>November 2009 – March 2010</p>

- 23 As set out above, an additional KLOE, 3.1 - Natural resources will apply to Police Authorities for 2009/10.

- 24 I have also considered whether there are any additional risks arising from my 2008/09 value for money conclusion which could impact on my 2009/10 value for money conclusion. I have not identified any additional risks.

Appendix 1 – Use of resources key findings and conclusions

1 The following tables summarise the key findings and conclusions for each of the three use of resources themes.

Table 4 Theme 1 - managing finances

Theme 1 score	3
Key findings and conclusions	
<p>The Authority can demonstrate strong financial planning and management over a number of years within tight financial constraints, whilst continuing to deliver strategic objectives. These objectives are based on both national priorities, and local issues identified via robust and detailed community engagement across all stakeholders. There is clear evidence of the management of investment to deliver specific priorities such as neighbourhood policing and protecting people.</p> <p>The Authority and Constabulary have a detailed understanding of comparative costs and spending. Good use is being made of benchmarking and analysis of unit costs to challenge performance and this has resulted in improved services and value for money. Effective use has been made of a wide variety of alternative service delivery models to enhance capacity, improve performance and reduce costs. Joint planning and delivery of services is helping to deliver economies of scale and boost capacity. For major decisions there is evidence that the Constabulary has taken account of wider social, environmental and economic factors although more needs to be done to build sustainability into commissioning and procurement practices.</p> <p>Budgets are devolved and divisional commanders are given the flexibility to engage with local people in their areas and shape local priorities accordingly. There is an appropriate level of scrutiny of expenditure by both senior officers and members. The Authority has a strong track record of managing resources within budget and this is supported by timely and reliable financial monitoring information for both members and officers.</p>	

Theme 1 score	3
<p>There is clear identification of variances and action plans are used to bring budgets back into line whilst still delivering planned objectives and without impacting on other areas. The Authority and Constabulary provide information in alternate formats to the community and there is evidence of positive feedback in relation to this.</p>	
KLOE 1.1 (financial planning) score	3
<p>Key findings and conclusions</p>	
<p>The Authority's Medium Term Financial Strategy is comprised of a number of aspects. The five-year financial forecast (MTFF) is updated regularly through the year. It reflects future implications of known issues together with an estimate of continuing efficiency savings and growth areas for each year. This is underpinned by a clear approach to identifying and achieving efficiency savings with quarterly monitoring of progress. Growth items are clearly linked to priorities and there is a rigorous process for approval. The capital programme forecasts over five years and is underpinned by separate comprehensive ICT and Estates strategies. The MTFF and capital programme link to key strategic objectives, and take account of local improvement and national priorities. There is clearly understood and firmly managed DFM scheme which requires budget holders to manage budgets within the bottom line.</p> <p>The Blueprint document is reviewed annually to re-appraise priorities with a clear assessment of the funding gap to tackle areas requiring new investment. Robust financial planning has enabled the Authority to reduce the funding gap and plan for new requirements which need funding in the future. Quarterly performance reviews take place with each division. There is detailed discussion of operational performance and financial performance enabling these to be considered together and ensuring financial 'restrictions' are not having a negative impact on operational performance.</p> <p>Lancashire Police Authority has a consistent record of delivering strategic objectives within tight financial constraints. Resources are allocated to priorities and are adapted to address emerging issues throughout the year. There is evidence to demonstrate this has a positive effect, for example halting the increase in gun crime in a specific division. Corporate business planning and financial planning are clearly linked and are supported by a strong performance management.</p> <p>There are numerous and strong examples of community engagement across all groups within Lancashire. HMIC have highly praised Lancashire's approach and achievements in neighbourhood policing and citizen focus policing. The 'Investment in Policing' project won the 2008 Community Engagement Scrutiny Award from the Centre for Public Scrutiny.</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 1.1 (financial planning) score	3
<p>There is a strong track record of managing resources within budget, supported by timely and reliable financial monitoring information. There is clear identification of variances and action plans are used to bring budget back into line, whilst delivering planned objectives and without impacting on other areas. The flexibility provided by DFM schemes helps police commanders to target local priorities in partnership with local communities and has helped to support the approach to neighbourhood policing.</p> <p>The Audit and Standards Committee provides a strong challenge to officers. Matters are referred on to the appropriate committee as required and additional groups have been set up to ensure a robust challenge is provided both in terms of finance and governance. This can be demonstrated to have driven forward improvement in these areas. Members are involved in providing scrutiny in terms of financial matters including value for money and affordability. There is evidence to show that this scrutiny has an impact, with the capital programme being reassessed in light of the current economic climate to prioritise committed and essential schemes. Lancashire Police have assessed their website for accessibility. Arrangements for Treasury management are sound and have recently been reviewed by Internal Audit and by the Authority.</p>	
KLOE 1.2 (understanding costs and achieving efficiencies) score	3
Key findings and conclusions	
<p>The Authority and Constabulary have a detailed understanding of comparative costs and spending. The impact of external factors such as deprivation levels have been assessed and managers and members are using this information to better understand the links between costs and the outputs and outcomes achieved. In overall terms and compared to its MSF, Lancashire is a comparatively low cost high performing Constabulary. Good use is being made of benchmarking and unit costs to challenge performance and value for money. Analysis and use of transaction costs has resulted in improved services and value for money in priority areas. There is evidence that the Authority and Constabulary take action to address unintended high spending where it occurs.</p> <p>Performance management arrangements are good, are integrated with financial reporting and support the monitoring and improvement of services. A planned programme of organisational service reviews is delivering benefits. The Constabulary's sustaining excellence programme introduced in 2008/09 is already having impact. Evaluation of QUEST 1 for example has reduced the number of non attending calls by 21.2 per cent and QUEST 2 is on track to deliver savings in the region of £2m following changes to crime recording systems.</p>	

KLOE 1.2 (understanding costs and achieving efficiencies) score	3
<p>Detailed business cases include inbuilt cost analysis and option appraisal and are clearly linked to priorities. Capital spending decisions take into account revenue implications and financial forecasts are made of the longer term impacts. For major decisions there is evidence that the Constabulary has taken account of wider social, environmental and economic factors although more needs to be done to build sustainability into commissioning and procurement practices.</p> <p>The Authority and Constabulary have a very clear understanding of the role of partners in providing services that will positively impact on local outcomes. Effective partnership working particularly through the LSP has delivered improved outcomes and value for money in priority areas. Effective targeting of efficiencies has helped to ensure that efficiencies can be achieved and priorities delivered. A variety of alternative delivery models have been used to enhance capacity, improve performance and reduce costs. Root and branch reviews undertaken in key services have improved value for money. Business transformation, restructuring, outsourcing, shared services and collaborative procurement are routinely being used to challenge costs, performance and value for money.</p>	
KLOE 1.3 (financial reporting) score	3
<p>Key findings and conclusions</p> <p>Budget monitoring information is produced monthly and a comprehensive pack of information is provided to budget holders including projections of expenditure. Internal reporting is accruals-based and budget holders get sufficient information to link between the budget, forecast expenditure and the end-of-year actual position. Budget holders have dedicated accountants to assist them through the process and produce ad-hoc reports to enable further analysis. This process enables the identification of variances, action plans to be put in place at an early stage and the budget brought back into line.</p> <p>Chief Officers receive summary financial information on a regular basis and can access their summary budget position directly on the intranet. Police Authority Members receive quarterly reports through Resources Committee and Human Resources Committee which include details of performance against the relevant budget heads; together with explanations for variances, which include relevant non-financial information. The monitoring process includes modelling of the impact of forecast spending on the level of reserves and balances. Monitoring is used to ensure financial planning remains on track to deliver service priorities.</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 1.3 (financial reporting) score	3
<p>The operation of the DFM scheme and Quarterly Performance Reviews (QPRs) helps to ensure a rigorous approach is taken to variances and performance is monitored throughout the year down to divisional level. QPRs are attended by Chief Officers and members and consider both operational and financial performance. There is clear evidence of this process being used to address variances and bring performance back on track. Strategic Tasking & Co-ordination Group scrutinise performance on a monthly basis. Detailed monitoring of the Police Authority budget takes place, including projections of the likely year-end position and setting out where there is appropriate planned use of reserves to support agreed investment.</p> <p>There are training and support programmes in place for constabulary officers and members receive specific financial training as part of their induction. Levels of support are being reviewed to assess the provision of these services and identify areas to improve value for money.</p> <p>The Authority has a detailed closedown plan in place to ensure that the preparation of its accounts is delivered within the required timescales and to the required quality. Accounts have consistently been produced on time and to a high standard.</p> <p>The website of the Authority is available in British Sign Language, large print, text version, and read aloud facility. There is a contact number given for access to alternative formats. A video and audio library is available which includes for example, an audio version of the council tax leaflet and a video on work with the Safer Lancashire partnership. The website of the Constabulary has large print or read aloud versions. There is clear evidence Lancashire Police have assessed their website for accessibility via consultation with the public including disabled users and used this to redesign the website receiving positive feedback.</p>	

Table 5 Theme 2 - governing the business

Theme 2 score	3
Key findings and conclusions	
<p>The Policing Plan sets out a very clear vision and understanding of local policing priorities. There is a good understanding of diverse communities and targeted responses through neighbourhood policing are delivering benefits. Procurement is linked to wider policing priorities, and improvements in value for money from both strategic and low cost procurement activity can be demonstrated. However, the existing purchasing policy and procedures were developed in January 2005 and now need updating. The Constabulary has recently purchased the police i- procurement package and subscribes to the Police Blue Light e-tendering package but there is scope to do more to secure the full benefits of these packages.</p> <p>Arrangements for collecting, recording and reporting data are integrated into business planning and management processes. The Authority and Constabulary use performance data as part of routine performance monitoring arrangements to focus attention on under-performing service areas.</p> <p>The Authority promotes the ethical agenda and has developed a joint assurance framework with the Constabulary. A joint working group has been established to ensure compliance with the principles of good governance and oversee any development in this area. Members receive comprehensive training when they join the Authority including ethics training. The Police Authority and Constabulary are clear about their joint goals and ambitions.</p> <p>Although good outcomes from partnership working can be demonstrated, there is scope to improve partnership governance arrangements. The Authority is in the process of developing a corporate framework for the management of the Constabulary's major partnerships. This includes assessing the benefits of partnership activity and developing effective systems to monitor the Authority and Constabulary's involvement in partnerships and the value they are adding to the achievement of policing objectives. The Authority should ensure there are formally documented governance arrangements in place for all significant partnerships.</p>	

Appendix 1 – Use of resources key findings and conclusions

Theme 2 score	3
<p>A risk management policy is in place and there are arrangements to identify and manage risks across the organisation and corporately. There is clear ownership of risk at all levels across the Constabulary and the Authority is represented at senior level at the Planning Working Group (which has responsibility for overseeing risk management). A high priority and profile is given to anti fraud and corruption within the Constabulary and PSD work to further promote this. The Constabulary's operational partnerships have been mapped and a risk matrix produced although there is some further work required to fully embed the principles of risk management within partnership arrangements.</p>	
KLOE 2.1 (commissioning and procurement) score	3
<p>Key findings and conclusions</p> <p>The Policing Plan sets out a clear vision and understanding of local policing priorities. The Authority and Constabulary have a good understanding of diverse communities and targeted responses through neighbourhood policing are delivering benefits. In September 2008, HMIC assessed the Constabulary's neighbourhood policing as exceeding the standard. Neighbourhood management is linked to wider regeneration and deprivation issues. There is effective engagement at neighbourhood level with local people. Morecambe Bay incidents and Bike Safe initiatives targeted specific community concerns in Western Division. The IMAMS Forum has been identified as national best practice by the National Community Tensions Team. Street meets, door knocks and local surgeries are being used to engage with local people and identify concerns. The Constabulary has won a national award for engaging young people for its 'lima charlie website' and the Youth and School PACT which has had some success in dealing with bullying. The Constabulary is working hard to engage with other hard to reach groups such as travellers, the polish community and people with disabilities.</p> <p>The Constabulary has adopted the ACPO National Procurement Strategy to 2011. A Constabulary purchasing policy and plan are in place. However, it is recognised that the existing purchasing policy and procedures were developed in January 2005 and now need updating. Improvements in value for money from both strategic and low cost procurement activity can be demonstrated. In 2008/09, savings of £1.670m were secured as a result of establishing/renewing local and regional contracts and taking advantage of national contracts and frameworks. Shared service and other partnering arrangements have been used effectively to deliver improved services for local people. Last year savings in excess of £1.5m were delivered from collaborative contracts. The Constabulary has recently purchased the police i- procurement package and subscribes to the Police Blue Light e-tendering package – however more needs to be done to secure the full benefits. The Constabulary does not have an agreed e-procurement strategy and no use has been made of e- auctions as a means of challenging value for money.</p>	

Theme 2 score	3
<p>Sound processes for internally reviewing vfm have led to improvements eg service improvement projects (OSR) and operational improvements (eg QUEST, custody, crime recording). Areas of high spending are subject to scrutiny.</p> <p>There is evidence that the Constabulary is taking into account diversity and equality in its contract and procurement activity. An environment strategy has been developed. The Constabulary's carbon footprint as measured against ARVAL reduced by 5.9% in 08/09 in comparison with its benchmarked fleet size. In 2008/09 the Constabulary achieved an 80 per cent pass rate as measured by the Energy Efficiency Accreditation Scheme.</p>	
KLOE 2.2 (data quality and use of information) score	3
<p>Key findings and conclusions</p>	
<p>Arrangements for collecting, recording and reporting data are integrated into business planning and management processes. The importance of data quality is actively promoted across the Constabulary. An Information Management Strategy & Data Sharing Policy has been developed. A Disclosure Policy is in place. This has been recognised as good practice and adopted as the national template in the MOPI framework.</p> <p>Information sharing agreements are in place for significant partnerships and the multi-agency data exchange policy has been in place since 2003 and applies to all instances of external data sharing. Roles and responsibilities for ensuring data quality have been clearly defined. Training is provided to staff with specific data quality responsibilities and for senior officers. A comprehensive and well resourced data quality audit programme is in place.</p> <p>Some innovative marketing material has been developed, particularly in relation to the CALMS initiative and has received national recognition. An emphasis on data quality combined with selective detailed checks of PIs by data protection unit staff is helping to improve the accuracy of reported data. The Information Assurance Service and RRD team have a structured approach for information review across the Constabulary. Detailed process documents have been produced for key systems. Incident and crime data are regularly monitored and audited for compliance with the National Standard for Incident Recording and the National Crime Recording Standard.</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 2.2 (data quality and use of information) score	3
<p>The Constabulary is currently 73 per cent compliant with the MOPI standards (7th highest nationally) and has an achievable MOPI Force Action Plan and Compliance Matrix to achieve full compliance by mid 2010. CSP compliance is currently 76 per cent with a Force Action Plan to achieve 95 per cent by mid 2010. In its recent MOPI Peer review 4, the Constabulary received extremely positive feedback from the IMPACT team and was cited as good practice.</p> <p>The Constabulary has identified senior management ‘Systems Owners’ for all key systems and Risk Management Accreditation Document Sets (RMADS) are being developed to identify the business needs for systems, systems users, information security risks and mitigation factors, protective marking and business continuity plans.</p> <p>There is a strong performance culture within the Authority and Constabulary linked to the delivery of key priorities. The Authority and Constabulary use performance data as part of routine performance monitoring arrangements to focus attention on under-performing service areas. Quarterly Performance Reviews of territorial divisions are conducted by the Assistant Chief Constable. Performance against priorities is reported to the Police Authority quarterly via the performance bulletin. Action plans are integral to performance management and under-performance results in officers being invited to attend scrutiny committees to provide explanations. This focus on under performance is helping to drive up service performance and value for money in key priority areas.</p>	
KLOE 2.3 (good governance) score	3
Key findings and conclusions	
<p>Working relationships between the Authority and the Constabulary are excellent. There are good working relationships with partners which have a real impact for the communities in the area. There is senior representation on all of the CDRPs from both the Constabulary & Authority. HMIC have praised Lancashire's partnership working in terms of achievements in Neighbourhood Policing. Members receive comprehensive training including ethics training and all modules are delivered within six months of appointment. Members have personal development plans and they provide a high level of scrutiny to officers. The Authority promotes the ethical agenda, for example, lay members observe authority meetings and report back to the Audit & Standards Committee.</p> <p>The Authority and Constabulary have developed a joint assurance framework and a joint working group ensures compliance with the principles of good governance. The Constabulary has a well established process for the appointment of ACPO officers. All posts have a role profile and person specification with competencies tailored to the portfolio. There is an established and robust PDR system.</p>	

KLOE 2.3 (good governance) score	3
<p>The Authority and Constabulary are committed to engaging with stakeholders and using this engagement to shape their future priorities and ambitions. There are clear examples of engaging with a wide range of stakeholders to ensure plans and priorities are widely known and understood. HMIC’s report on Neighbourhood Policing and Developing Citizen Focus Policing graded Lancashire as ‘exceeding the standard’ for both neighbourhood policing and citizen focus - the only Constabulary in the country to achieve this. Public confidence levels are good.</p> <p>The Police Authority and Constabulary are clear about their joint goals and work together to achieve priorities. An example is the approach taken to determining policing priorities for Lancashire through ‘Blueprint’. The Authority and Constabulary were both very clear about what they wanted to achieve in respect of protecting key services and put in place Blueprint as a plan for achieving those objectives. By working together to use a combination of revenue from the Council Tax and efficiencies in less essential areas in the Constabulary, the gap in protective services has been reduced from almost £20m in 2006 to around £7m in 2009 – supporting the priority of Protecting People. There are a number of examples of Lancashire Police using innovative solutions to deal with problem areas/issues and of these solutions having real impact for the local community. Moppin Up Dodge project won Home Office and European Crime Prevention awards.</p> <p>Codes of conduct are in place. Scheme of delegation, standing orders, contract standing orders and financial regulations are all in place and regularly reviewed. There are registers of interest and hospitality in place for both the Authority and Constabulary. The work of the PSD department has been rated highly by HMIC. PSD officers liaise with divisional commanders and provide them with a range of information. Complaints procedures are clearly accessible on both Authority and Constabulary websites. NFI matches are followed up appropriately and there is proactive anti-fraud and corruption work. Clear whistle blowing procedures are in place and are publicised internally and with key external contractors. Governance arrangements for partnerships are not formally documented in all cases and the Authority is in the process of developing a corporate framework for the management of the Constabulary’s major partnerships.</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 2.4 (risk management and internal control) score	3
Key findings and conclusions	
<p>A risk management policy and process are in place. There is clear ownership of risk at all levels across the Constabulary. Divisional/departmental risk registers are monitored via quarterly performance reviews and risks from these registers feed up to the Corporate Risk Register where appropriate. Dedicated risk registers are in place for specific projects where (for example) they deliver organisational change. The Authority is represented at a senior level on the Planning Working Group (which has responsibility for overseeing risk management). Emergency and contingency plans are in place and have been tested.</p> <p>There is evidence of Lancashire Police identifying potential risks at an early stage and employing innovative solutions to address these, enabling the risk to be mitigated. For example the identification of a risk of the exploitation of children via 'missing from home' (MFH) reports in a particular area of the county, and working with multiple agencies to analyse reasons behind this and work to engage with 'at risk' children. As a result MFH incidents have dropped 36 per cent in Eastern division in ten months.</p> <p>The Constabulary's operational partnerships have been mapped and a risk matrix produced although there is some further work required to fully embed the principles of risk management within partnership arrangements.</p> <p>Members received training on risk management. Officers with direct responsibility for overseeing the risk management process have received additional external training. The Authority has an anti fraud and corruption strategy in place. Constabulary have an Intelligence & Anti Corruption Team based in PSD which has been publicised to staff. Procedures are in place for staff to report any issues including a confidential advice line.</p> <p>Audit & Standards Committee is proactive in engaging with the Constabulary, authority officers, internal and external audit. There is clear evidence that the committee provides a challenge to officers. The Authority and Constabulary have an assurance framework in place. The framework includes the mapping of Authority and Constabulary sources of assurance to support the delivery of key objectives. The internal audit service is provided under a service level agreement by Lancashire County Council and operates in accordance with the CIPFA Code of Practice. Plans are risks based, drawn up in consultation with senior officers and are approved by the Audit and Standards Committee. Internal Audit has a high profile within the Authority and there is clear evidence their recommendations are acted upon. The Authority can demonstrate it has appropriate procedures in place to comply with laws and regulations.</p>	

Table 6 Theme 3 - managing resources

Theme score	3
Key findings and conclusions	
<p>The Constabulary has arrangements in place to help ensure it has a skilled and productive workforce. Policies and procedures to ensure good staff management are in place and managers and staff are trained in the use of these. There are development and training opportunities to ensure that officers and police staff are capable and competent to perform their roles and respond to changing service demands.</p> <p>Performance Development Reviews are embedded. There are annual costed Human Resource and Learning and Development Plans in place. Longer term workforce planning can be demonstrated in the medium term financial planning (five years) and in plans for ill health retirements (two years). There is currently no plan which specifically identifies staffing need over the next three to five years and how this will be achieved. There is evidence of effective engagement and consultation with staff. The approach to diversity and equality is good and is beginning to have impact with the Constabulary receiving recognition through external awards and standards.</p>	
KLOE 3.3 (workforce planning)	3
Key findings and conclusions	
<p>The Constabulary has or is in the process of putting in place arrangements to ensure it has a skilled and productive workforce. A new people portfolio was established in April 2008 and is helping to foster a more strategic approach to workforce planning and organisational development across the Constabulary. A range of policies and procedures for good staff management are in place and managers and staff are trained in the use of these. Development and training opportunities are helping to ensure that officers and police staff are capable and competent to perform their roles and respond to changing service demands. Performance Development Reviews are embedded. An approach to talent management and succession planning is in place and there is evidence that this is having impact in terms of career progression and vacancy management.</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 3.3 (workforce planning)	3
<p>Annual costed HR and Learning & Development Plans are in place. Annual corporate obligations documents set out workforce requirements at divisional level - including for example key posts to be in place, functions which must be carried out and mandatory skill requirements. However, given their annual focus, they do not in themselves set out the strategic direction of the Authority and Constabulary as regards workforce requirements for example, staffing levels, skill mix and training and development needs over the medium term (three to five years). The Constabulary has recognised this and a specific five year workforce plan is being developed. Longer term planning can however be demonstrated in the development of the MTFs which takes account of workforce issues (five years) and also in its plans for ill health retirements (two years).</p> <p>The Constabulary's resourcing control model addresses proactive recruitment requirements (up to 24 months ahead). The Constabulary works well in addressing the individual requirements of service redesign. Some innovative use has been made of PCSOs releasing officers for front line duties and increasing the level of police presence on the street. The Constabulary has also embarked on eight collaborative initiatives to improve productivity and efficiency mainly targeted in the area of protective services. Some positive impacts can already be evidenced.</p> <p>Quarterly reporting to the Police Authority on workforce and productivity issues is in place. Reports are comprehensive, cover all aspects of performance and include challenge sections setting out what is being done to address poor performance. Joint quarterly performance reviews are helping drive service improvements across the Constabulary. Staff satisfaction and morale as measured by the annual cultural audit is high with low levels of turnover, grievances and appeals. Attendance management and scrutiny is effective – sickness absence is reducing for both police officers and police staff (police officer sickness absence is down from eight days in 2007/08 to six days in 2008/09).</p> <p>The approach to diversity and equality is strong with staff more highly skilled and the Constabulary receiving recognition through external awards and standards. A diversity strategy is in place. The Lancashire Community Cohesion Partnership has won beacon status. Preston's Imams Forum has been identified as national best practice for community cohesion by the National Community Tension Team. In June 2008, the FREDa initiative won the CIPD Police Forum best practice award for promoting equality and diversity. Progress is being made to improve the level of representation within the workforce with improvement in the number of women officers. However, despite sustained improvements over the last three years, the Constabulary is aware that more needs to be done before the diversity of the workforce is fully representative of the communities they serve.</p>	

Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
7	R1 The Authority needs to ensure commissioning and procurement practices take account of wider sustainability issues.	2	Head of Corporate Support & Information Assurance Services	Yes	As part of the required update in the Procurement Policy (R2) and our Procurement Strategic Planning service improvement initiatives review for 2010/11 we will benchmark our current practices and procedures with best practice in respect of sustainability issues and develop an action plan for implementation. Procurement policies, practices and procedures will be updated accordingly to take effect from 1 April 2010.	1 April 2010
8	R2 The Constabulary need to review and update the purchasing policy and procedures.	2	Head of Corporate Support & Information Assurance Services	Yes	The review and update will be completed as part of the procurement service future strategic planning process for 2010/11 to take effect from the 1 April 2010.	1 April 2010
8	R3 Ensure the police i-procurement package and Police Blue Light e-tendering package are used to their full potential where appropriate.	2	Head of Corporate Support & Information Assurance Services	Yes	Benchmarking of our current utilisation of our E procurement packages is currently underway and an improvement action plan will be developed as part of our strategic review process for 2010/11. This action plan will take effect from 1st April 2010 and policies and procedures will be updated accordingly as part of our action plan to achieve R2 above.	1 April 2010

Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	R4 The Authority and Constabulary need to ensure the corporate framework for the management of partnerships becomes fully embedded.	2	Policy and Partnerships Officer/Policy Development Manager	Yes	The Authority and Constabulary are both currently undertaking reviews of strategic partnerships and preparing a framework within which partnerships will in future be managed. This work will ensure partnerships are governed to a corporate standard and that this becomes embedded in the way the Police Authority and Constabulary manage their partnership arrangements. This work is being overseen by the Joint Good Governance Working Group.	31 March 2010
8	R5 The Authority and Constabulary should ensure there are formally documented governance arrangements in place for all significant partnerships.	2	Policy and Partnerships Officer/Policy Development Manager	Yes	The Authority and Constabulary are ensuring that formally documented governance arrangements are in place for all significant partnerships through their reviews referred to in the response to Recommendation 4 above.	31 March 2010
8	R6 The Authority and Constabulary should ensure the principles of risk management are fully embedded within partnership working.	2	Policy and Partnerships Officer/Policy Development Manager	Yes	The Authority and Constabulary will ensure that arrangements are in place to assess and manage the risk that membership of a partnership poses to the Authority or Constabulary. Where the Authority or Constabulary is a member of a partnership, it will also contribute to that partnership's management of its risks. However, it is considered that it is the responsibility of each partnership to ensure it has appropriate risk management arrangements in place.	31 March 2010

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	R7 The Constabulary should be able to clearly demonstrate workforce needs over a three to five-year period and have plans in place to achieve this.	2	Head of HR	Yes	The Constabulary will continue to develop its work in respect of workforce planning and resourcing and develop formal structures to ensure a clear link between money and people, leading to a workforce strategy.	By April 2010

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