



Police and Crime Commissioner for Cumbria

Summary Annual Governance Statement 2016/17

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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

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

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the

Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2016/17 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2016/17 financial year. This is the standard against which all local government bodies, including police, should assess themselves.

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

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

The following paragraphs provide a summary of the Annual Governance Statement, demonstrating how the Commissioner has complied with the governance framework, set out within the Code, to meet of each of the seven governance principles. The full version of the Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Ethics and Integrity

The Commissioner has in place arrangements for anti-fraud and corruption which have been reviewed in 2016/17. The review concluded that arrangements are effective. Whilst fraud risk remains low within the OPCC office, matters of integrity have been re-enforced including enhanced arrangements in respect of recording gifts and hospitality and/or supplier contact.

During 2016/17, the financial regulations and financial rules were reviewed and updated.

In 2016/17 the OPCC Grant Regulations were reviewed to align with the development of a new Police and Crime Plan. To facilitate this process the Grant Regulations were also reviewed, in conjunction with legal and procurement

advice, with the aim of ensuring that grant awards are made in a fair, transparent and consistent manner and that appropriate conditions are attached to safeguard public money.

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

During 2016/17 the Ethics and Integrity Panel have carried out dip sample processes and thematic inspections for a number of different areas of business including public complaints, police misconduct and staff misconduct cases, all of which were found to support high standards of ethics and integrity. This enabled the Police and Crime Commissioner to fulfil his statutory duty to have oversight of the Constabulary's complaints and misconduct processes.

The Panel also conducted three thematic inspections during the year. These being in relation to the Constabulary's Performance Discretion Framework, the use of Stop and Stop/Search and the policing of the 2016 Kendal Calling Festival. The findings of the Panel's work, including recommendations, have been reported on a quarterly basis to the Commissioner's Public

Accountability Conference to improve transparency and support public scrutiny.

The Joint Audit and Standards Committee received the 2016/17 annual report of the Ethics & Integrity Panel in May 2017 to support assurances in respect of arrangements for standards and ethical governance.

Respecting the rule of law

Officers within the OPCC receive updates on changes in legislation through their professional bodies, APACCE, PACTS, the APCC and from the government. A jointly funded Legal Advisor post in the Constabulary's Legal Services Department also directly supports the OPCC on legal matters.

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

Principle B: Ensuring openness and comprehensive stakeholder engagement

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures the openness of all key information to the public. Examples of information that is published includes agendas and reports of public meetings, guidance on the Commissioner's funds, freedom of information requests, financial information and details of key decisions. A range of communications media are used including the Commissioner's website and social media.

To promote openness and transparency, all Public Accountability Conferences have been advertised to allow members of the press and public to attend.

Unfortunately, on 18 January 2017 the OPCC website became unavailable due to technical issues experienced by the provider. A link to an archived version of the website and an interim solution for new items were established by the 24 January 2017. A new website provided by a new supplier went live on 31 March 2017. Whilst the OPCC was unable to fulfil its obligations for a week, via the website, other means of communication remained available.

Engaging Comprehensively with Institutional Stakeholders

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

- Chairing the Safer Cumbria Direction Group which is both the county-wide Community Safety Partnership and Criminal Justice Board for Cumbria.
- Membership of the Cumbria Leaders' Board.

During 2016/17 a range of partnership working initiatives to deliver the Commissioning Strategy and ensure arrangements are in place for victims support services. This has included:

- Creation of a Victim's Consultation Group.

- Provision of funding to support of a range of sexual and domestic violence services.

During 2016/17 the Commissioner's grant regulations and agreements have been developed to encourage and support the delivery of the objectives identified in the Police and Crime Plan.

Key stakeholders including the public were consulted in the development of the new Police and Crime Plan. In particular their views contributed to three key documents used in formulating the plan, the Victims Needs Assessment, Young person's feedback via the 'Risky Business project' and a Sexual Violence Needs Assessment. The Police and Crime Plan states how the Commissioner will work in partnership to deliver the Police and Crime Plan where he advocates a 'we not they' approach.

Engaging Stakeholders Effectively including Citizens and Service Users

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

effectively uses the views of the people of Cumbria and is accountable.

The Commissioner is directly involved in many of the engagement activities and encourages the Commissioner's ethos of 'we, not they' to emphasise that communities, stakeholders and partners need to all work together to help deliver the Police and Crime Plan, and keep Cumbria safe. During 2016/17 engagement included:

- Public surgeries/drop-ins at various locations.
- Numerous speaking engagements and attendance at public events.
- Meetings with a diverse range of community groups
- Media engagements.
- Surveys, Cumbria Community Messaging, Association (CNWA), the Commissioner's website, twitter, facebook and a bi-monthly newsletter

The Commissioner's Public Accountability Conference is open to the public and supports engagement.

The Commissioner launched a public consultation to help shape the Police and Crime Plan for 2016-2020 which identified the top 5 priorities as:

- Ensuring the police tackle crime and anti-social behaviour;
- Providing a visible police presence;
- Tackling grooming and child sexual exploitation;
- Tackling domestic abuse;
- Improving services for people with mental health conditions and reduce the demand of crisis situations on the police.

The Commissioner also carried out a 'light touch' consultation around the setting of the policing precept for 2017/18 budget.

Through the public raising issues, the Commissioner is able to raise concerns with the Chief Constable regarding Quality of Service Issues.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

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

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

which are set out in the PCC's Performance Management Framework.

The priorities within the plan are:

- 1 Your Priorities For Cumbria
- 2 A Visible and Effective Police Presence
- 3 Tackle Crime and Anti-Social Behaviour
- 4 Ensure Offenders Face A Consequence For Their Crime
- 5 Always Put Victims First
- 6 Focus our Police on Online and Sexual Crime
- 7 Spend your Money Wisely
- 8 Supporting Young People

Key performance indicators were set with the Chief Constable at the start of the financial year in support of the objectives within the new Police and Crime Plan. A comprehensive Accountability Framework, HMIC Inspections and Value for Money Reports support the Commissioner in holding the Chief Constable to account for performance of the force.

The Chief Constable is held to account for delivery of the objectives through the PCC's Public Accountability

Conference. A reporting Schedule is maintained and agreed with the Constabulary. The PCC monitors performance in a number of areas of policing including public protection (domestic abuse, sexual violence and child sexual exploitation), uniformed policing, offending and serious crime, rural crime, equality and diversity, finance, and ethics.

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

A Commissioning Strategy and framework combining procurement, partnership working and contract management is currently under review.

Sustainable economic, social and environmental benefits

The Head of Partnerships and Commissioning ensures that the services commissioned are consistent with the PCC's objectives as set out in the Police and Crime Plan 2016-2020. For the financial year 2016/17, the PCC committed over £1.5m to projects and initiatives aimed at reducing offending and re-offending and supporting

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

A joint **Social Value Policy** is in development between the Office of Police and Crime Commissioner and Constabulary Procurement Department.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning & Determining Interventions

During the course of 2016/17 the Commissioner's Public Accountability Conference received Constabulary assurance covering a range of areas of performance including Her Majesty's Inspectorate of Constabulary (HMIC) performance measures to assess police effectiveness, efficiency and legitimacy (PEEL). This enabled the Commissioner to hold the Chief Constable to

account. Crime levels, public satisfaction and police performance have been regularly monitored

The Commissioner chairs the Cumbria 'Out of Court (OoCDs) Disposal Scrutiny Panel'. OoCDs allow the police to deal quickly and proportionately with low level, often first time, offending, which can be appropriately resolved without a prosecution at court. The Panel seeks to increase the public's understanding, confidence and trust in how the Constabulary uses OoCDs.

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

- working with partners on an action plan to tackle hate crime.
- Working to help address alcohol, drug and mental health issues, often contributing factors in crime, through working jointly with health and wider partners.
- Providing funding for Cumbria's three Community Safety Partnerships to tackle local issues in relation to crime and disorder. focusing on alcohol and drugs abuse, domestic violence, local crime prevention, and antisocial behaviour.

The new Commissioner approved his first budget in February 2017. The £111m provided to the Constabulary supported continued stability in the number of Police Officers and Police and Community Support Officers and additional investment in investigators to tackle historic cases.

The most significant factor influencing future financial strategy is the government's review of police formula funding, which has the potential to make a significant reduction in grant funding to Cumbria. The OPCC and Constabulary are jointly working, and have commissioned academia, to better understand demand and resource implications with the aim of ensuring robust decision making in the event that funding is reduced.

Optimising Achievement of Intended Outcomes

All planning is undertaken in the context of a four year medium term financial strategy, incorporating financial modelling, operational plans and capital strategies, which will be updated in 2017/18 following the outcome of the formula funding review.

Recommendations contained in a victim's needs assessment, conducted by the Victims Advocate in 2016/17, have provided a clear focus of activity for the PCC and partners' work and future commissioning

strategy to keep victims safe and at the heart of the Criminal Justice system. During 2016/17 the Commissioner has:

- Funded Independent Domestic and Sexual Violence Advisors in hospitals
- Established a Victim Care Unit in Cumbria.
- Provided funding for Cumbria Restorative Services Hub
- Funded 'Chelsea's Choice', a production for children raising awareness of Child Sexual Exploitation
- Funded a Domestic Violence Advisor service
- Funded dementia projects
- Established two Vulnerable Localities Index
- Commissioning Victim Support to provide emotional, practical, advocacy and signposting services
- Provided support for witnesses attending Coroner's Courts.
- Continued to develop and fund the Bridgeway Sexual Assault Support Services
- Introduced county-wide Perpetrator Programmes "Turning the Spotlight" for domestic abuse.
- Funded 'I Feel the Hate' Hate Crime production for children
- Developed the **Cumbria Together website**

- Commissioned a service 'Keep Safe'
- Funded "Brake" specialist support for bereaved families of victims of Road Traffic Accidents.
- The Commissioner's Innovation, Community and Property Funds also continue to provide financial support for numerous projects working with victims across Cumbria. Community Fund, Innovation Fund and Property Fund

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the entity's capacity

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

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

During 2016/17 the Commissioner has reviewed the arrangements for the structure of the office in the context of benchmarking, which showed and total running costs of the OPCC remain competitive compared to statistical neighbours.

Following the structure review and from April 2017, the Commissioner and Chief Constable have determined to put in place an arrangement for a shared Chief Finance Officer. A protocol and range of safeguards have been put in place to handle potential conflicts of interest arising from the joint role.

The leadership structure will remain under review during 2017/18 as a result of the planned retirement of the Chief Executive and wider responsibilities around blue light collaboration.

A revised procurement strategy and procurement regulations were approved in February 2017.

Developing the entity's leadership

The Chief Executive receives support through the Association of Police and Crime Commissioner Chief Executives (APACCE), while the Chief Finance Officer continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service.

During 2016/17 development activity for members of the Audit and Standards Committee included a day overseeing operational policing activity, a session contributing to the new Police and Crime Plan and seminars on treasury management and the medium term financial forecasts. A formal review of effectiveness of the Committee against the new CIPFA guidance for Audit Committees evidenced compliance with CIPFA guidance and elements constituting best practice. The full report of the Committee can be found on the Commissioner's website at:

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

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

- Recruitment campaigns to attract new candidates.

- Induction training courses.
- Membership of the Independent Custody Visitors Association (ICVA).
- Attendance at national and local conferences
- Scrutiny of the Animal Welfare Scheme, which looks at the welfare of police dogs

Developing the capability of individuals within the entity

During 2016/17 a Corporate Development Day was held for all staff within the COPCC as part of the development of the COPCC's Business Plan. A Development Day was also held for all staff as part of the process for reviewing the Commissioner's risk management processes and procedures, together with a separate session for the Executive Team on strategic risk.

All staff within the office participate having undertaken a personal development review process to ensure they have the skills to be effective in their roles. Staff also have regular one-to-one sessions with their line manager. Specific training has been provided for staff in the areas of advanced Microsoft Word, Excel, Freedom of Information, media management, project management, equality and diversity, risk management, coaching and fire safety.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Managing risk

During the year the Commissioner's Risk Management Strategy was reviewed and updated to reflect the current risk environment. The updated strategy was supported by the Joint Audit and Standards Committee.

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

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

Managing Performance

The Public Accountability Conferences facilitate arrangements for the scrutiny of quarterly performance updates and thematic reports around priority areas of policing including, domestic abuse, child sexual exploitation, sexual offences, rural crime, anti-social behaviour and reducing reoffending. This is supported by regular one to one meetings between the Chief Constable and Commissioner. The Commissioner also monitors the implementation of actions and recommendations arising from inspections including those undertaken by HMIC.

The Police and Crime Panel have met five times during 2016/17. All meetings are held in public, providing an open and transparent process for scrutinising the decisions and work of the Commissioner. During 2016/17 the Panel placed a significant focus on the commissioning elements of the Police and Crime Plan accountability in relation to Victims and Domestic Abuse, Sexual Violence and Hate Crime. The Panel also considered and supported the Commissioner's proposed precept for 2017/18 and have been briefed on the implications of the Home Office Police Formula Funding Consultation.

Robust Internal Control

During 2016/17 a number of areas of the corporate governance framework have been subject to cyclical review and update. This process is supported by the professional advice of the Joint Audit and Standards Committee. During 2016/17 the Committee has considered and provided scrutiny of the Financial Regulations and Financial Rules, Grant Regulations, the Code of Corporate Governance, Risk Management Strategy, the Internal Audit Charter, Treasury Management Strategy, Statement of Accounts and Annual Governance Statement.

Internal controls have also been reviewed through the annual process of management assurances and the annual internal audit plan. Of the 20 audits conducted through the plan, 70% have received either reasonable or substantial assurance. The Chief Internal Auditor's overall opinion has concluded that the Commissioner's frameworks for governance, risk and internal control are reasonable and that controls are generally working effectively in practice.

Managing Data

The OPCC operates within the parameters of legislation governing the protection of data, ensuring that all data is

appropriately stored and shared where necessary. Information is provided to members of the public under the Freedom of Information Act, with requests and responses published on the Commissioner's website. The Ethics and Integrity Panel provide additional assurance in this respect. Physical data within the OPCC is held securely with appropriate office and cabinet security provided.

Strong Public Financial Management

At the Executive Board meeting of 24th February 2016, Mr Rhodes, the former Commissioner, set the 2016/17 annual budget and precept in the context of a medium term financial strategy 2016-2020. In line with his duty to maintain the police force the Commissioner agreed a net budget of £111m for the Chief Constable for the 2016/17 financial year and a funding arrangement that codifies the terms for that funding including arrangements for financial management. The budget included £2.5m funding for 2016/17 within a commissioned services budget for victims, community safety and crime reduction.

During 2016/17 the Commissioner received regular financial reports including revenue and capital budget monitoring and treasury management. A new format of financial reports been adopted in 2016-17 to improve

accessibility. Financial reports are published on the Commissioner's website.

The Commissioner has also approved a revised and updated set of financial regulations and rules as part of the cyclical review processes for financial management.

The outcome of all audits of financial arrangements during 2016/17 was an opinion that provided either reasonable or substantial assurance.

During 2016/17 budget resources and the impact of formula funding remained the Commissioner's single strategic risk. A number of mitigation measures have been put in place including work to financially model the impact of funding losses and membership of the National Rural Crime Network (NRCN), through which, studies have been commissioned to demonstrate the costs of delivering rural policing services.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Implementing good practice in transparency

During 2016/17 the Commissioner has prepared for publication a first annual report of his term of office. The annual report, entitled "Making Cumbria an Even Safer Place", includes information on how the Commissioner has responded to issues raised during community engagement activity and how engagement has informed future priorities.

Throughout the year the Commissioner has published financial monitoring information. Monitoring reports have been developed to present a revised, shorter and more succinct format that aims to increase the transparency and accessibility of financial information. Further to this, the reported financial statements published in May 2016 introduced the statutory Chief

Finance Officers' Narrative Report. The Narrative report incorporates a more accessible summary of the statements and financial and performance information alongside a business review.

Implementing good practices in reporting

The Commissioner's activities, performance and achievements have been published in an annual report, which can be found on the Commissioner's website at www.cumbria-pcc.gov.uk. It highlights the commissioner's key achievements during his first year, including:

- Published the Police and Crime Plan, 2016-2020;
- Setting the policing budget for 2017/18
- Launch of the Cumbria Youth Commission
- Funded numerous community projects
- Launched a new, refreshed website, to increase accessibility and improve the user experience

A revised and updated Code of Corporate Governance was adopted in line with the 2016 CIPFA Good Governance Framework for Local Government. An internal audit of the Code to provide assurance that CIPFA good governance framework had been met.

A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2016/17.

The Commissioner's unaudited financial statements were released in May with the final version published in July, thus meeting new deadlines for financial reporting ahead of schedule. The External Auditor's Audit Findings report noted the accounts were prepared to a good standard. The finance team's work on financial reporting and accessibility has been included in a nomination to the 2017 Public Finance Innovation Awards.

Assurance and effective accountability

The external auditor's opinion for the 2015/16 financial year was that the Commissioner's Financial Statements provided a true and fair view of the financial position and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting. The auditors further confirmed in their Annual Audit Letter that that the Commissioner had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

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

The Ethics and Integrity Panel monitors and reports on some specific areas of activity, such as complaint handling and ethical issues.

FURTHER INFORMATION

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

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

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21 July 2017

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

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