



National Audit Office

Report

by the Comptroller
and Auditor General

Home Office

Police accountability: Landscape review

Key facts

41

police and crime
commissioners elected
in November 2012
(England and Wales)

£12bn

funding from taxation in
2013-14 for the 43 territorial
police forces

72%

of the £12 billion funding
in 2013-14 comes from
central government

- 20 per cent** the real term reduction in central government funding for the police sector in the 2010 spending review. A further 4.9 per cent reduction followed in the 2013 spending round
- 42 per cent** increase in public awareness of commissioners (April–June 2012 against the same period in 2013) according to the British Crime Survey
- 36** pieces of data that the Home Office has said that commissioners must publish for public scrutiny
- 75 per cent** highest compliance observed of data sets that are easily accessible on commissioners' offices' websites against data publishing requirements, from a sample of 15 local police force areas
- 6** commissioners who share a chief financial officer with their police force, raising a potential conflict of interest where chief financial officers cannot give unfettered advice to either party
- 7** average number of meetings of police and crime panels in the year since the election of commissioners, three higher than the Department anticipated

Summary

Background

1 The government introduced elected police and crime commissioners (commissioners) in November 2012, which was a major reform to how police forces are governed. The Police Reform and Social Responsibility Act 2011 (the 2011 act) created the post of an elected police and crime commissioner for 41 of the 43 police forces in England and Wales. (The Metropolitan Police Service and City of London Police had different arrangements.) Previously police authorities held chief constables to account, set the police precept component of council tax which helps fund the force, and controlled their police force's budgets. The Home Office (the Department) designed the policy to provide greater local autonomy in policing and increase local accountability by replacing unelected police authorities with elected commissioners.

2 Commissioners in England and Wales control over £12 billion of police force funding. Commissioners will have to ensure police forces continue to provide services while managing the significant budget cuts from the 2010 spending review. The public will hold commissioners to account directly for their performance through elections every four years. However, the Department's Accounting Officer must still be able to provide Parliament with assurance that all funds allocated are used effectively and efficiently, with due regard for value for money. The Department provides the majority of police funding, some 72 per cent in 2013-14.

3 In 2012 the Department published an *Accountability System Statement for Policing and Crime Reduction*.¹ This sets out a framework of checks and balances, statutory roles and scrutiny mechanisms that would allow it to give Parliament the required assurance, while meeting its objective to increase local autonomy and accountability. This framework is comprised of local commissioners, police forces, police and crime panels (local panels charged with scrutinising commissioners' performance), auditors and national bodies like the Department and Her Majesty's Inspectorate of Constabulary (the Inspectorate).

4 The new structures have been in place for just over a year and only one set of annual accounts is available. It is therefore too early to conclude whether these new arrangements will provide the Department with assurance that the police sector is achieving value for money. This landscape review is designed, therefore, to describe the changes to the police accountability landscape since 2012 and identify potential risks to, and opportunity for, achieving value for money arising from them.

¹ Home Office, *Accountability System Statement for Policing and Crime Reduction*, September 2012.

Key findings

5 Those in the sector that we spoke to feel that elected commissioners are potentially better able to hold police forces to account and drive value for money than the unelected police authorities they replaced. In two-thirds of the areas we visited we were told that as sole elected officials, commissioners were potentially better placed to hold police forces accountable for their expenditure and drive performance improvement than the previous unelected police authority. A single person may be able to make decisions faster than a committee and could be more transparent about the reasons for those decisions (paragraph 2.4).

6 Elected commissioners have, so far, observed a significant increase in engagement with the public compared to police authorities. Since their election commissioners have been engaging with the public through a range of channels, such as consultation exercises, surveys and attending public events. Initial evidence suggests that the public are increasingly contacting their commissioner, using this alternative means of engagement with the police. For example, the offices of the police and crime commissioner in North Wales and Kent respectively reported 800 and 432 per cent increases in correspondence with the public after the elections in November 2012. However, correspondence volumes received previously by police authorities were low (paragraph 2.3).

7 The introduction of both commissioners who hold chief constables to account, and police and crime panels who do the same for commissioners, have increased the potential for local tensions. Any increase in tensions could simply be due to having stronger accountability arrangements. We found, however, local policing bodies have had difficulty agreeing job boundaries and working relationships that suited all parties. There is uncertainty about how operational and strategic roles should be divided between the chief constable and commissioner. Interviewees cited good working relationships as the most critical factor for success, with various practices adopted locally to help this, such as agreeing memoranda of understanding and developing performance scorecards (paragraphs 2.5 to 2.13).

8 Commissioners and police forces now have greater flexibility to set local objectives and customise their business models to meet them, but flexibility brings risks as well as opportunities. Operationally independent police forces have historically adopted different business practices over time. The reforms have granted commissioners and chief constables even greater autonomy and we accordingly found large variation in business practices across force areas. The new system provides forces with scope to innovate, to respond better to local priorities and achieve value for money. The Department and the new College of Policing's challenge will be to support this local flexibility by identifying and disseminating best practice in achieving value for money locally and nationally. But the new approach also poses risks. If local variation increases further, for example as commissioners allocate staff differently between their office and the police force, it will be even more challenging for the public to benchmark their police force with others and hold them to account for their performance (paragraphs 2.14 to 2.24).

9 While local autonomy has increased, the Department has been actively building links with local policing bodies. The Department retains oversight of the police sector and recognises that it needs to build its knowledge of local issues. The Department has made good progress to increase this knowledge, for example through a buddying system where chief constables and commissioners' chief executives are paired with senior Department officials (paragraph 3.9).

10 There is a potential gap in the assurance framework where the Inspectorate does not have the statutory authority to routinely inspect commissioners or their offices. Commissioners are free to take on significant business functions, such as estates management, or allocate funds to local bodies in order to meet community safety objectives. This leaves a potentially important gap in the scrutiny framework, particularly where commissioners decide to retain more functions (paragraphs 2.20, 3.6 and 3.7).

11 Police and crime panels lack powers to act on the information they receive, meaning there are few checks and balances on commissioners between elections. The main check on commissioners lies with the public, who can vote out their local commissioner every four years. Between elections there are few practical checks on commissioners: there is no recall process and police and crime panels were intended to provide a scrutiny function rather than an executive function. Consequently, panels powers are limited; they can only veto the commissioner's proposed precept level and the commissioner's first choice of chief constable (not the second). Otherwise the panel's decisions are advisory only. To help them fulfil their scrutiny function panels can request information from commissioners, but the majority we looked at were having difficulty getting the information they felt they needed (paragraphs 3.8 and 3.16 to 3.18).

12 Nationwide, six commissioners share a chief financial officer with their force, raising a potential conflict of interest. Areas that had adopted this model consider that sharing a chief financial officer is cheaper than having separate officers and can help provide consistent financial information for both sides. However, this approach poses a potential risk to the assurance framework. The chief financial officer is a crucial check in the system, required by law to provide notifications of misuse of funds or unbalanced budgets for both police forces and offices of commissioners. Shared chief financial officers might struggle to provide unfettered advice to both the chief constable and commissioner when they disagree (paragraph 3.23).

13 There is a gap between the reliance placed by the Department on external auditors' scrutiny of local policing bodies and the work actually undertaken, creating a risk that the Department is not fully sighted on potential risks to value for money at the local level. The Department's accountability system statement lists a range of methods by which it can identify emerging issues and gain assurance that local policing bodies are achieving value for money. One important method listed is the work carried out by the local external auditor. In practice, while local external auditors are required by legislation to provide an independent conclusion on whether a local policing body has adequate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, they do not actually conclude on whether value for money has been achieved (paragraphs 2.21 to 2.24, 3.20 to 3.22).

14 Commissioners are not publishing all the data that the 2011 act requires, limiting the public's ability to hold commissioners to account. The Department's aim is that the public hold commissioners to account through being better able to benchmark their performance and vote accordingly in elections. To help the public fulfil this role the Department has specified 36 separate pieces of information for commissioners to publish, such as data on salaries and contracts. We reviewed a sample of 15 commissioners' websites to see if this data was available and easily accessible (can be found in a ten minute search) and found that no sampled area had completely met these requirements – maximum compliance was 75 per cent (paragraph 3.26 and 3.27).

15 Commissioners and police forces make considerable use of the Inspectorate's data to benchmark their performance with other police forces, but we are concerned about the usability of this data for the public. We found all force areas used Inspectorate data, such as the value-for-money profiles produced for each force, to help benchmark themselves against other forces. However, some interviewees reported that the data can be hard to interpret. For example, a larger commissioner's office relative to its peers might simply be the result of it taking over functions previously carried out by the force. Given the historical differences between forces, further investigation has always been necessary in order to identify the underlying causes of differing performance. The public, now the ultimate check on commissioners, may find it difficult to do this. Only being able to take performance data at face value limits their ability to hold commissioners to account. The Department and the Inspectorate have both accepted the need to provide more narrative explanation alongside published data (paragraphs 3.28 to 3.31).

Conclusion

16 The Department has set out a framework that it hopes will balance an increase in local autonomy with its need to obtain assurance that police forces are securing value for money from the funding it gives them. The framework has the potential to be an improvement on the previous system, but has only been in place for just over a year and needs appropriate supporting control structures in place to work effectively. Our review has identified several potential gaps in this control framework. For example, the limited effectiveness of panels, the potential conflict of interest with joint chief financial officers and inadequate publication of data. Taken together these gaps could limit both the public's ability to hold commissioners to account every four years and the degree of assurance the Department can take from the new accountability mechanisms. As the system matures, more work will be required to ensure its constituent elements are working effectively to minimise risks to value for money.

Recommendations

- a **The Department should review gaps in accountability control systems and work through any associated risks to value for money.** An assessment, building on this review, could provide a richer evidence base to assess the new arrangement's effectiveness. In particular, more focus is required where there are gaps in the framework of controls over commissioners. The Department told us work has already begun in this area: for example it is considering proposals to extend the Inspectorate's remit to specifically include staff within commissioners' offices that are delivering force functions.
- b **The Department should also review its reforms and consider where guidance needs to be revised or extended.** This review has identified areas where stakeholders see a need for revisions to, or greater clarity in, existing guidance. The Department should work with other relevant parties to provide this where necessary, for example on the role of police and crime panels.
- c **The Department should report on how it plans to increase data availability and accessibility to help the public hold commissioners to account.** Not all data that should be publicly available is currently published and interested members of the public may find it difficult to make sense of some of the data that is available. The Department and the Inspectorate are already working together to determine how to provide better information to the public and there is a plan to launch new assessments for 2014-15.
- d **The Department should work more closely with the Inspectorate and the College of Policing to review performance data and identify how to spread best practice across police forces.** The new accountability framework allows for even greater variation in approach across police forces than before, and this could make it increasingly difficult to compare performance and the achievement of value for money across areas. There is a role for central stakeholders in obtaining a more detailed understanding of what is working effectively locally and making it available across the sector.