



National Audit Office

Report

by the Comptroller
and Auditor General

Home Office

Police accountability: Landscape review

Our vision is to help the nation spend wisely.

Our public audit perspective helps Parliament hold government to account and improve public services.

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Amyas Morse, is an Officer of the House of Commons and leads the NAO, which employs some 860 staff. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of almost £1.2 billion in 2012.



National Audit Office

Home Office

Police accountability: Landscape review

Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 22 January 2014

This report has been prepared under Section 6 of the
National Audit Act 1983 for presentation to the House of
Commons in accordance with Section 9 of the Act

Amyas Morse
Comptroller and Auditor General
National Audit Office

17 January 2014

This report examines whether the Department's chosen framework is sufficient for providing assurance for value for money in the police service and operating as intended.

© National Audit Office 2014

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as National Audit Office copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Links to external websites were valid at the time of publication of this report. The National Audit Office is not responsible for the future validity of the links.

Printed in the UK for The Stationery Office
Limited on behalf of the Controller of Her
Majesty's Stationery Office

2616529 01/14 PRCS

Contents

Key facts 4

Summary 5

Part One

The police accountability landscape 10

Part Two

The local impact of police and
crime commissioners 17

Part Three

Oversight and scrutiny of commissioners
and police forces 26

Appendix One

Our audit approach 36

Appendix Two

Our evidence 38

The National Audit Office study team
consisted of:

Joe Farnell, Emma Flannery,
Harry Hagger Johnson, Gemma Hill,
Adam Hughes, Shivani Magdani,
Paul Mills, Robert Sabbarton,
Shivani Shah and Saria Usman,
under the direction of Louise Bladen.

This report can be found on the
National Audit Office website at
www.nao.org.uk/2014-police-accountability

For further information about the
National Audit Office please contact:

National Audit Office
Press Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Tel: 020 7798 7400

Enquiries: www.nao.org.uk/contact-us

Website: www.nao.org.uk

Twitter: @NAOorguk

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.

Part One

The police accountability landscape

Police forces in England and Wales

1.1 There are 43 territorial police forces in England and Wales. Each force is headed by a chief constable, who has final authority over all operational policing decisions and staff that the force employs.² Since November 2012 chief constables report to an elected police and crime commissioner (commissioner),³ a post created in the Police Reform and Social Responsibility Act 2011 (the 2011 act)⁴ to replace police authorities. Prior to being enacted the reforms were described as “among the most significant that have been proposed since Sir Robert Peel laid the foundations for modern policing nearly 200 years ago”.⁵

1.2 The 2011 act gives the public greater influence in deciding local police priorities and local policing bodies more flexibility to respond to them. Once elected, commissioners set out in an annual police and crime plan the objectives that their police force must achieve (in consultation with their chief constable); allocate the funds needed to achieve them; and, ultimately, hold police forces to account for delivering them on behalf of the local electorate. In the new system local variation is encouraged and intervention from central government is reduced.

1.3 Commissioners give their forces funds raised from central and local taxation, the latter via the precept, a levy collected alongside council tax for the force area the taxpayer lives in. In 2013-14 on average central government funding from the Home Office (the Department) was almost three times greater than that raised by the precept (**Figure 1**). Precept funding for forces, which commissioners are now responsible for, has gradually risen in recent years, but central government is reducing funding. Respective spending review and spending round settlements in 2010 and 2013 budgeted for central government funding for the police sector to reduce by 20 and 4.9 per cent in real terms.

2 The Metropolitan Police Service and City of London police force each have their own commissioner rather than chief constables.

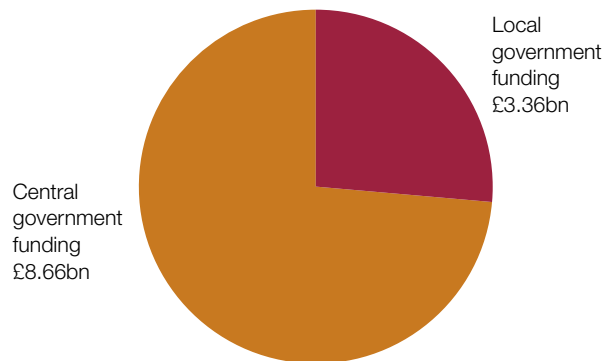
3 The equivalent roles for the Metropolitan Police and City of London police force are fulfilled by the Mayor’s Office for Policing and Crime and the Common Council of the City of London respectively. In this report we refer to all these parties as ‘commissioners’.

4 The Police Reform and Social Responsibility Act 2011, September 2011.

5 Home Affairs Select Committee, *New landscape of policing*, Session 2010–2012, HC 939, December 2011.

Figure 1

Central and local government funding, 2013-14

72 per cent of the £12 billion police funding from taxation comes from central government**Note**

1 Police forces also receive some income through charging fees, for example for providing policing at sporting events.

Source: National Audit Office analysis of Department data

1.4 The Department expects commissioners to be incentivised to make efficiencies both by reduced funding and the need to account directly to the public for their performance. Despite this policy to increase local autonomy and accountability, Parliament will continue to hold the government to account for how funds from central taxation are used. This accountability has historically been discharged through the senior civil servant in each department, the accounting officer. Government gives each accounting officer a direct and personal accountability to Parliament for how their department manages public funds. This means that although commissioners are responsible for how money is spent in their force area, the Department's accounting officer is still accountable for the funds given to them.

1.5 The Committee of Public Account's report *Accountability for public money* examined the implications for Parliamentary accountability of devolving greater responsibility and funding for public service delivery to local bodies.⁶ It set out five fundamentals of accountability:

- The accounting officer is personally and ultimately responsible to Parliament for spending taxpayers' money and must be unfettered in discharging of these responsibilities.
- Where a department funds other bodies, the accounting officer must ensure that there is an appropriate framework in place to give the officer the necessary assurances and controls.
- Responsibilities and authority for policy and operational decisions are clear throughout the delivery chain.
- There is a clear process for measuring outcomes, evaluating performance and demonstrating value for money, which allows organisations to be held to account and enables proper comparisons with other organisations providing the same or similar services.
- All bodies that receive public funds are well governed and have robust financial management arrangements in place.

1.6 In *Accountability: Adapting to decentralisation* the government proposed that to meet the Committee's second principle of accountability, accounting officers who provide such decentralised funding should publish a statement that clearly sets out the system by which they will be able to obtain the necessary assurances for Parliament.⁷ The Department therefore published an *Accountability System Statement for Policing and Crime Reduction* (the system statement), which takes the arrangements post November 2012 into account.⁸

The Accountability System Statement for Policing and Crime Reduction

1.7 In its system statement the Department set out the roles, responsibilities and powers of individual bodies in the police sector. Together these bodies should ensure that funds given to police are used appropriately and with due regard for value for money. The statement also sets out how the Department can assess how the system is working, and what will happen in the event of failure. The statement references several other relevant documents:

⁶ HC Committee of Public Accounts, *Accountability for public money*, Session 2010-11, HC 740, April 2011.

⁷ Department for Communities and Local Government, *Accountability: Adapting to decentralisation*, September 2011.

⁸ Home Office, *Accountability System Statement for Policing and Crime Reduction*, September 2012.

- *The Financial Management Code of Practice for the Police Service of England and Wales* sets out the financial management responsibilities of commissioners and chief constables and their key statutory duties.⁹
- The Policing Protocol Order 2011 sets out the roles and responsibilities of local policing bodies, specifically commissioners, chief constables and police and crime panels, and how they should work together.¹⁰
- The Elected Local Policing Bodies (Specified Information) Order 2011 specifies what information and data local policing bodies should publish, and when.¹¹

The Secretary of State has also issued a *Strategic Policing Requirement* that sets out current national threats and the appropriate national policing capabilities required to counter them, which all forces must comply with.¹²

1.8 The key elements of the system, as set out in the legislation, system statement and supporting documents, are (see **Figure 2** overleaf):

- **Police and crime commissioners:** officials elected every four years who are directly accountable to their local electorate for ensuring the policing needs of the community are met and the police provide an efficient and effective service.
- **Chief constables:** the head of the police force with responsibility for directing officers and staff in the force, and the operational delivery of local police services.
- **Chief financial officers:** both commissioners and chief constables are required by law to appoint a chief financial officer with statutory responsibility for ensuring proper financial management and that funds are used with regard to regularity, propriety and value for money.
- **Local scrutiny:** including a police and crime panel (comprised mainly of councillors nominated by local authorities), which scrutinises the commissioner and makes sure they fulfil their duties, and local audit arrangements (including both external auditors and audit committee).
- **National scrutiny and monitoring:** including the Inspectorate, which has statutory powers to inspect police forces and publicly report on their efficiency and effectiveness and the Department who oversee the overall system of accountability and ensure it is working effectively. In the event of system failure, the Secretary of State has backstop powers to intervene.

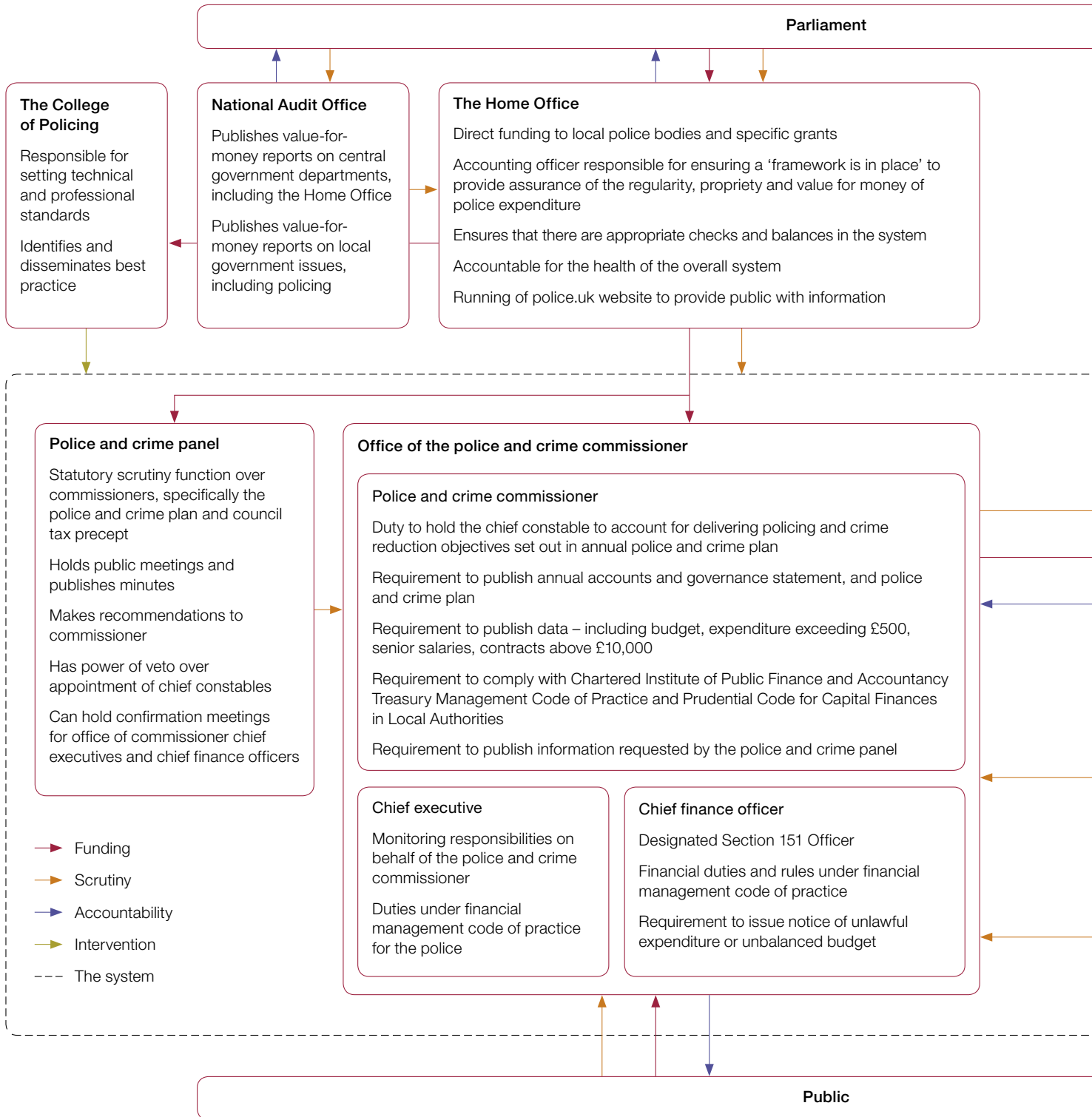
9 Home Office, *Financial Management Code of Practice for the Police Service of England and Wales*, January 2012 (updated in September 2013).

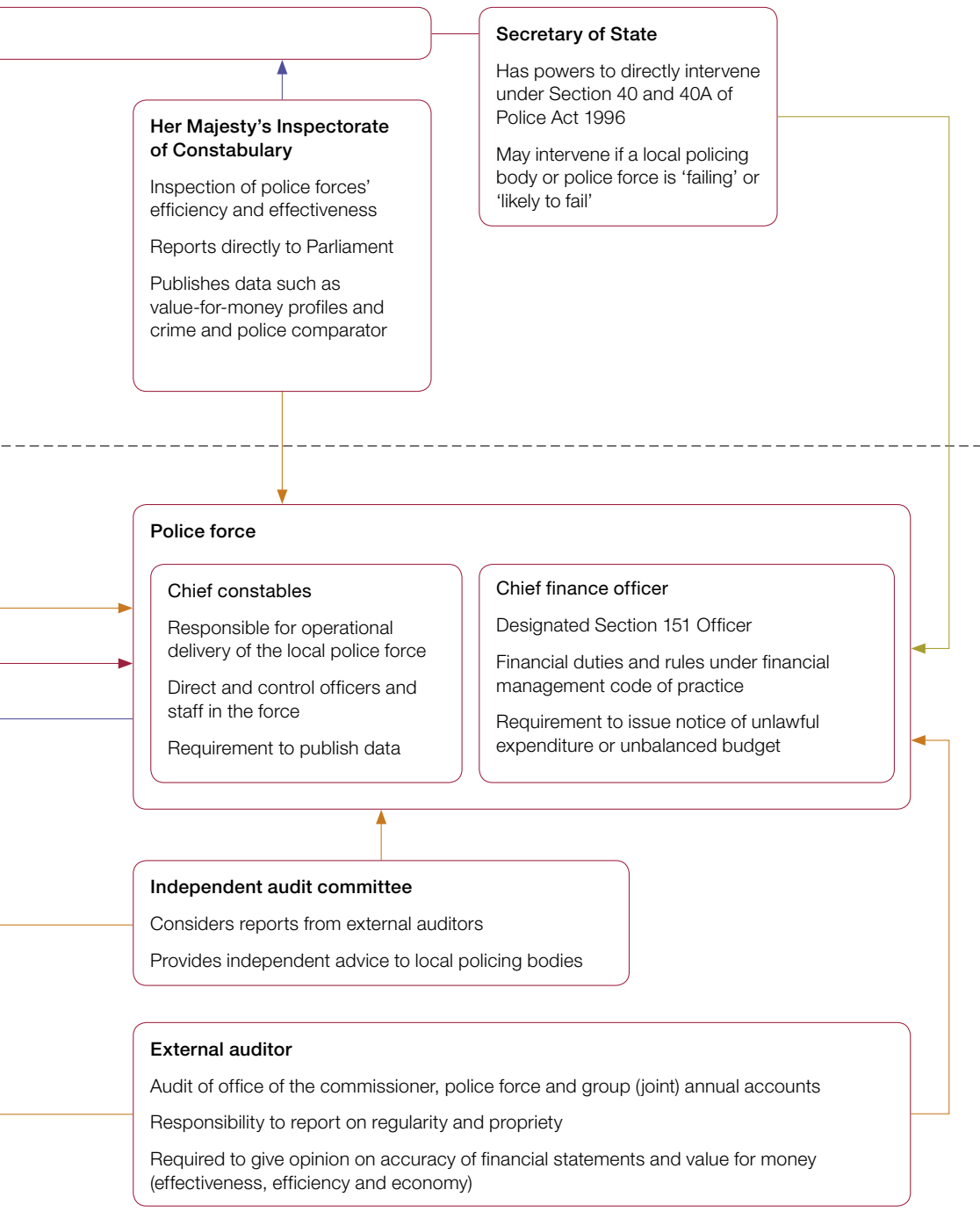
10 The Policing Protocol Order 2011, November 2011.

11 The Elected Local Policing Bodies (Specified Information) Order 2011, December 2011.

12 Home Office, *The Strategic Policing Requirement*, July 2012.

Figure 2
The accountability system for the police





Our landscape review

1.9 The new framework has been operating for just over a year and it is too early to conclude on the value for money of the new arrangements. Instead, for this landscape review, we examined how the reforms are operating locally and identify potential risks to value for money. In Part Two we consider how commissioners have been working and the impact they are having locally. In Part Three we examine whether the new police accountability framework will provide the degree of assurance that Parliament requires, and how the Department and other national bodies are supporting those implementing and operating the system.

Part Two

The local impact of police and crime commissioners

2.1 For this landscape review we visited nine local police force areas, which between them account for some 39 per cent of total police force expenditure. From these visits (for full methodology see Appendix Two) we identified five themes regarding the local impact of commissioners:

- Public engagement.
- Clarity over roles and responsibilities.
- The importance of good working relationships.
- Increased local autonomy and variety.
- Changing accounting practices and audit arrangements.

Public engagement

2.2 We found that commissioners have used various means to engage with the public. These include holding workshops and surgeries with local people, meeting with community leaders and other organisations, and more informal means such as walkabouts or engaging with people in public spaces such as shopping centres. For example:

- Between September 2013 and March 2014 the commissioner for Thames Valley scheduled 26 public meetings. These included 15 informal 'Have your Say' meetings, each with one of the force's local area commanders in attendance, three formal decision-making and performance scrutiny meetings, and attendance at three local authority meetings.
- The police and crime commissioner for Dorset plans to hold a victims forum every quarter, where members of the public can ask questions and voice their concerns. The commissioner held the first meeting in October 2013.
- In Leicestershire a 'youth commission' is asking 2,000 young people their views on what needs to be done to tackle crime and improve policing. Separately, a consulting and engagement group has been established in Leicestershire that has identified 26 different channels to communicate with the public, including intercultural evenings, school visits, parish meetings and a Diwali working group.

Commissioners can build local priorities into their police and crime plans, which can include objectives and targets that police forces must deliver.

2.3 There was a common perception among the force areas we visited that under the new arrangements public awareness and engagement with the police has, to date, been well above levels seen previously under police authorities. For example, the commissioner for North Wales reported receiving over 500 pieces of correspondence in his first year in post compared with the 55 received by the police authority in its final year, an 800 per cent increase. It is too early to assess whether this upturn will continue, but other forces reported similar increases. For example, in Kent (the nine months to September 2013 saw a 432 per cent increase in correspondence on the same period in 2012) and Avon and Somerset. It is difficult to be certain about which factors affect the public's engagement with commissioners, but these may include:

- Commissioners are newly elected and want to be more visible to the public than the unelected police authorities they replaced.
- Members of the public experiencing crime issues or with complaints about local policing can now contact commissioners instead.

The British Crime Survey found that public awareness of commissioners has risen from 27 per cent in April–June 2012 to 69 per cent in the same period in 2013. Other polls suggest, however, that more needs to be done to convince the public of the benefits of the reforms. For example, a November 2013 YouGov poll found that only 5 per cent of the public think elected commissioners have made their local police force more accountable. Only 3 per cent think it has made their police force more effective at combatting crime.

2.4 Under the previous police authority system decisions were made by a 17-member committee. In six of the nine areas we visited we were told there were various benefits from having a single commissioner, including:

- A single commissioner can make decisions much faster, without having to build consensus across a larger panel.
- A commissioner can explain the reasons behind a decision more easily than a committee, increasing transparency.
- A single commissioner can meet the chief constable more frequently.

Some stakeholders told us that there are, however, some potential downsides to having a single commissioner. These included the risk that commissioners could make decisions too quickly or be too reactive to events, or that they become overworked trying to cover all the ground previously covered by the police authority.

Clarity over roles and responsibilities

Commissioners and chief constables

2.5 Many people we spoke to felt that the legislation and supporting documentation was unclear about local roles and responsibilities, which could lead to conflict.

2.6 Operational policing matters should fall squarely within the remit of chief constables. The concept of operational independence has not been clearly defined historically, providing local bodies with flexibility to agree arrangements that work for them. The Policing Protocol Order 2011, however, lists the main areas where chief constables have operational independence (**Figure 3**). The order states that the commissioner and chief constable must work together to safeguard the principle of operational independence while ensuring that the commissioner fulfils their statutory role.

2.7 The parameters for some of the areas of operational independence listed in Figure 3 are relatively clear. Discretion to investigate crimes is obviously a police matter. But two areas in particular: balancing competing operational needs within the framework of priorities and objectives set by the police and crime commissioner, and operational decisions to reallocate resource to meet immediate demand, could both be interpreted as being in scope for the commissioner given their role includes scrutinising whether objectives are being met and resources allocated efficiently. In six of our nine visits some interviewees said that uncertainty over the exact split between operational and strategic roles had caused tensions in the relationship between the commissioner and the force.

Figure 3 Operational independence

The operational independence of chief constables includes:

- the ability to issue a warrant to an attested officer with which that officer may exercise their police powers
- decisions in relation to the appointment and dismissal of officers and staff
- decisions concerning the configuration and organisation of policing resources (or) the decision whether, or whether not, to deploy police officers and staff
- total discretion to investigate or require an investigation into crimes and individuals as he or she sees fit
- decisions taken with the purpose of balancing competing operational needs within the framework of priorities and objectives set by the police and crime commissioner
- operational decisions to reallocate resource to meet immediate demand
- the allocation of officers' specific duties and responsibilities within the force area to meet the strategic objectives set by the police and crime commissioner.

Note

¹ An attested officer is one that has taken an oath under section 29 of the Police Act 1996.

Source: The Policing Protocol Order 2011

2.8 We found that police forces and commissioners are making significant efforts to agree working procedures and reduce the risk of conflict. Examples of approaches to this issue include:

- The commissioner and chief constable in Dorset drew up a memorandum of understanding defining how roles and staff would be split between the office of the commissioner and the police force.
- In Kent, the commissioner agreed with the police force scorecards covering various business functions to give clarity on how she will monitor ongoing performance. Areas monitored include resource utilisation, staff satisfaction and customer perceptions.

Police and crime panels

2.9 Under the provisions of the Police Reform and Social Responsibility Act (the 2011 act), police and crime panels should scrutinise the commissioner's performance, but a common theme from our visits and other interviews was that panels were risking straying beyond their statutory remit by directly monitoring and evaluating the police force. We noted that all panels in the force areas we visited included members from the previous police authority – these individuals may have been used to scrutinising police forces directly.

2.10 The 2011 act also states that police and crime panels should support their commissioners, but at present the Home Office (the Department) has not issued guidance on what this support should involve. Some panels and commissioners have agreed how this will operate. For example, in Dorset the commissioner invited the panel to comment on his draft police and crime plan and took their comments into account before publishing it.

The importance of good working relationships

2.11 Given the possible tensions discussed above, most areas we visited said that the need for a good working relationship between the key people in the system – already important – had increased markedly. In over half the areas we visited we were told that chief constables and commissioners were generally working well together. This has not been the case everywhere however: there have been high-profile cases where disagreements between commissioners and chief constables have led to the chief constable's departure or temporary suspension. For example, in Gwent the commissioner raised concerns with the chief constable about the failure to agree the respective remits of their post. Subsequently the chief constable took the decision to retire, which the commissioner accepted.

2.12 Since the November 2012 elections, 19 chief constable posts have become vacant (44 per cent of all police forces). There are several factors that explain why so many posts became vacant, such as the need to replace chief constables appointed on a temporary basis during the transition to the new system, retirement or chief constables leaving for other jobs. While such a high turnover is not unprecedented (similar levels were seen in 2009), if turnover remains at this level it is important that commissioners work out how to maintain stable working relationships with their changing counterparts in the force.

2.13 Commissioners and chief constables should not necessarily have too close a working relationship. A healthy tension between commissioners and chief constables could help in flushing out issues. There is a risk, however, that the changed relationship could lead to a permanently higher turnover of chief constables, especially if new commissioners, when elected, decide to replace the chief constable with someone they feel they can work with better. Pre-reform, chief constables were appointed on a fixed-term contract for up to five years. This could then be extended indefinitely. Post-reform, the commissioner decides the length of the chief constable's contract and approves any extensions.

Increased local autonomy and variety

2.14 One of the specific goals of the 2011 act was to allow the public greater influence on deciding local police priorities and give local policing bodies more flexibility to adapt their businesses to respond to them. Operational independence of police forces has always encouraged wide variation in practices across different areas, and the reforms have the potential to increase this variation further. This gives forces and commissioners room to innovate and try different approaches to suit their local circumstances. This new freedom does not, however, come without cost. It increases the risk of forces and commissioners duplicating effort as they work individually to solve common problems, increases the challenge of benchmarking performance with other police forces and could limit the scope for larger scale collaborative work that could promote better value for money. We identified four key areas where variation appears to have increased through the reforms:

- Objectives and priorities.
- Approach to 'stage two' transfers.
- Collaboration.
- Commissioning.

Objectives and priorities

2.15 Previously the Department was able to set targets for all police forces centrally. This was useful to set a common standard by which all forces can be held to account but it made forces less able to respond to local priorities. The reforms were intended to cut the number of central objectives and targets for police forces and give commissioners freedom to set objectives for their force in their police and crime plans. We examined a sample of ten police and crime plans and found this increase in freedom had led to considerable variation in the number and scope of these objectives, potentially making comparison between local areas more difficult:

- The number of objectives varied between three and eleven.
- The subject matter varied considerably. Protecting the public from harm and reducing crime were common to all areas in some form, but other objectives included promoting road safety, reducing littering and supporting victims and witnesses.

Approach to 'stage two' transfers

2.16 Before November 2012 all assets relating to the police were actually owned by their respective police authorities. As well as creating commissioners, the 2011 act made chief constables legal entities that could own assets and employ staff.¹³ Once commissioners were elected, all of the assets owned and staff employed by the police authority passed to them. This was called the 'stage one' transfer.

2.17 By 1 April 2014 all forces and commissioners must complete a 'stage two' transfer. For this, commissioners and chief constables need to discuss what business model is appropriate for them and allocate staff and assets in line with their chosen model to either the force or the commissioner's office. For example, business functions that some commissioners plan to retain include estate management, press and public relations and legal services. The Police and Crime Commissioner Treasurers Society¹⁴ surveyed all forces' stage two transfer plans in August 2013 and found wide variety in business models across the 30 forces that responded. In future, however, commissioners will also have the authority to set their own business models and this potential variation could make it more challenging for the public to hold their commissioner to account. For example, a commissioner's office might cost more to run because it is undertaking more business functions, not because it is inefficient.

¹³ Stage two transfers do not include police officers, who are regarded as holder of office rather than employees.

¹⁴ The Police and Crime Commissioners Treasurers Society represents the treasurer of each of the 41 police and crime commissioners in England and Wales, as well as the Treasurer to the Mayor's Office for Policing and Crime, and the Chamberlain of the Common Council of the City of London.

Collaboration

2.18 All police forces spend some proportion of their expenditure through collaborative arrangements – from 0.5 to nearly 25 per cent of police forces' total expenditure was spent collaboratively in 2012-13, depending on the force. Our previous reports *Police procurement*¹⁵ and *Private sector partnering in the police service* (jointly published with the Inspectorate)¹⁶ identified a wide range of collaborations that some police forces had entered into. These included collaborating with other police forces, fire or ambulance services, their respective local authorities, or contracting out services to private sector providers.

2.19 The Inspectorate, in its 2013 report *Policing in Austerity: Rising to the Challenge*, has criticised the lack of progress with collaboration.¹⁷ It found that only 18 forces were making more than 10 per cent of their savings requirements through collaborating with other forces, local partners or the private sector. The reforms give commissioners significant powers over forces' collaboration arrangements and in future we are likely to see increasing variation in business models as some commissioners deepen collaboration arrangements and others pause or even reverse them depending on what benefits they perceive for their local area. The Department has established a Police Innovation Fund, which will make up to £50 million available per year to support collaboration proposals that increase efficiency.

Commissioning

2.20 As well as their responsibilities with respect to the police, commissioners are also involved in crime reduction and community safety. The 2011 act provides commissioners powers to award grants to any bodies they consider support local priorities such as tackling drugs and crime, reducing reoffending, and improving community safety. The Department has now ceased various grants made directly to local areas, including those made for the Drug Interventions Programme and Community Safety Partnerships. Instead, in 2013-14, commissioners will receive a single Community Safety Fund that they are free to allocate. From 2014-15 this fund will be rolled into the Police Main Grant to give commissioners more freedom in how to use their resources, which is another potential source of local variation that may make it harder to benchmark local performance. Furthermore, while spending is subject to the Department's standard grant terms and conditions and must be managed in line with HM Treasury guidance, it currently lies outside the standard police monitoring framework. While the Inspectorate includes information on such spending in its value for money profiles, it currently has no powers to scrutinise expenditures by offices of commissioners (see paragraphs 3.6 and 3.7).

¹⁵ Comptroller and Auditor General, *Police procurement*, Session 2012-13, HC 1046, National Audit Office, March 2013.

¹⁶ Her Majesty's Inspectorate of Constabulary and National Audit Office, *Private sector partnering in the police service*, July 2013.

¹⁷ Her Majesty's Inspectorate of Constabulary, *Policing in Austerity: Rising to the Challenge*, July 2013.

Changing accounting practices and audit arrangements

2.21 Another source of local variation is how police forces and commissioners prepare their accounts. Previously, police authorities were the legal entity for police force areas and accounts were therefore prepared only for them, but after the reforms chief constables became legal entities as well.¹⁸ From 2012-13 three sets of accounts are compiled instead of one: the commissioner and the chief constable require their own set of accounts and these are then consolidated to produce a single group account (which is the only account directly comparable with those compiled by the previous police authority).

2.22 This policy was designed to help define a clear line between commissioners and the chief constables they hold to account, while facilitating stage two transfers by giving chief constables the right to employ staff. In most of the areas we visited interviewees voiced concerns about the new accounting arrangements, including:

- **Splitting the accounts creates unnecessary work and expense.** Where there was previously one set of accounts for each force area, there are now three. In two areas we visited staff told us they thought that having separate chief financial officers for the office of the commissioner and the force was an unnecessary expense, especially if the office moves most of its staff to the police in stage two transfers and is left with only a small number of office staff.
- **The reforms created some unanticipated differences between commissioners and chief constables, which needed to be resolved.** For example, commissioners were local authority bodies and therefore VAT-exempt while chief constables were defined as the head of a company which is VAT-liable. The Department has issued a Statutory Order to resolve this.

2.23 Prior to 2012-13, police authority accounts had largely been audited by the audit practice of the Audit Commission, with some audits outsourced to private sector firms. For 2012-13 onwards, all audits of individual commissioner and police force accounts were outsourced to private sector providers. The Chartered Institute of Public Finance and Accountancy (CIPFA) is responsible for setting the accounting framework which police bodies must use for financial reporting, and their auditors must audit against this framework. We were told that an absence of detailed and timely guidance on the application of the framework for the new local police bodies and their auditors led to differing interpretations and application of accounting requirements, in particular with regard to how to reflect the two corporations' sole set-up required by the 2011 act.

2.24 We examined accounts for 18 different police force areas and found examples of significant variation in accounting practices. This makes it difficult to compare sets of accounts across the sector (see **Figure 4**):

- Chief constables' accounts have nil values entered onto their statements in some areas, with all expenditure and cash flows kept in the office of the commissioner's accounts. This makes the office's accounts and the group (office and police force) accounts identical. In contrast, in other areas, revenue spent by the chief constable on behalf of the commissioner has been incorporated into the police force accounts.

¹⁸ A 'corporation sole' is a legal entity which can employ staff, hold rights, have liabilities and own property.

- In different local areas the pension account has been disclosed separately in the accounts of either the chief constable or office of the commissioner.

The Department told us that part of the reason for the different interpretations is the lack of clarity around whether or not chief constables should receive the same accounting treatment as local authorities. The Department believes that this issue will be resolved by the Transitional Provision Order laid in September 2013, which states that chief constables should be treated as local authorities for accounting purposes.

Figure 4

Variation in accounting treatment across 18 police force areas

	Chief constable's account status	Pension account is held in?	Are office of the commissioner and group accounts the same?
Force area 1	Dormant	Both	Yes
Force area 2	Dormant	Commissioner only	Yes
Force area 3	Dormant	Commissioner only	Yes
Force area 4	Dormant	Commissioner only	Yes
Force area 5	Active	Both	Unknown
Force area 6	Active	Both	Yes
Force area 7	Active	Chief constable only	No
Force area 8	Active	Both	Yes
Force area 9	Dormant	Unknown	Yes
Force area 10	Dormant	Commissioner only	Yes
Force area 11	Active	Both	No
Force area 12	Active	Commissioner only	Unknown
Force area 13	Active	Both	No
Force area 14	Active	Both	Yes
Force area 15	Active	Commissioner only	Yes
Force area 16	Active	Both	Yes
Force area 17	Active	Commissioner only	No
Force area 18	Dormant	Commissioner only	Yes

Note

1 Year of analysis is 2012-13.

Source: National Audit Office analysis

Part Three

Oversight and scrutiny of commissioners and police forces

3.1 The policy aim of replacing police authorities with directly elected commissioners was to increase accountability by concentrating oversight in a single individual with a direct public mandate to get the best outcomes for them. The public ultimately hold commissioners accountable through elections every four years, but there remains a need for the Home Office (the Department) to oversee how local policing bodies are performing. It must be able to provide continuous assurance to Parliament that the funding it gives to local policing bodies is used efficiently and effectively, in line with the principles of accountability set out in paragraph 1.5. In this part we discuss whether the framework for assurance set out in the Department's accountability system statement will allow the Department to give that assurance.

The accountability system in theory

3.2 The Department intends that all parts of the framework listed in Part One, working together, will allow the accounting officer to give Parliament sufficient assurance. Various bodies play particular roles in this system:

- Chief financial officers and auditors are required by law to satisfy themselves that there are suitable arrangements in place to secure value for money.
- Her Majesty's Inspectorate of Constabulary (the Inspectorate) inspects the efficiency and effectiveness of police forces on behalf of the public.
- In addition to their own work priorities, commissioners have external incentives to address issues as the police and crime panel may question them on these issues, the public vote them out of office, or the Department may use its backstop powers to intervene.

3.3 During fieldwork we assessed whether the model as described would, when fully operational, provide a sufficient basis for assurance. Our observations follow below.

Definition of roles and conflict resolution

3.4 The system statement and its supporting documents go some way to clarify the roles and responsibilities of key individuals and bodies in the significantly reformed accountability system. However, some ambiguities remain, which may have contributed to the tensions between commissioners, chief constables and panel members listed in Part Two. The Police Reform and Social Responsibility Act 2011 (the 2011 act) and its supporting documentation do not set out the process to follow if these bodies disagree. The Policing Protocol Order 2011 says only that commissioners will need to establish effective working relationships with chief constables to deliver policing services and that any differences in opinion should be resolved locally if possible.¹⁹

3.5 There are other areas where official guidance is lacking. For example, there is no advice on what police and crime panels should do except that they should scrutinise, challenge and support the commissioner in performing their statutory functions. There is no explicit guidance that panels should consider value-for-money issues when holding commissioners to account. Nor does the legislation and supporting documentation give any detail on handover arrangements when a commissioner or panel's term of office ends and the transition to a new body begins.

System coverage

3.6 The Inspectorate is a crucial part in the assurance system as it has the power to inspect individual police forces and report on any issues it finds. We were told by Department officials these reports formed a crucial role in the system of assurance by giving early warning of issues. Under the previous system, the Inspectorate also had direct access rights to police authorities. In the new system commissioners can commission the Inspectorate to examine a particular issue (for which a fee may be levied) – as when the police and crime commissioner for Kent commissioned the Inspectorate to determine whether the people of Kent can have confidence in Kent Police's crime figures – and the Home Secretary can direct the Inspectorate to inspect commissioners' offices. But the 2011 act does not give the Inspectorate the power to routinely inspect offices of police and crime commissioners. Some commissioners' offices are taking on functions that their force previously did, such as estate management or public relations (see paragraphs 2.16 and 2.17). In such cases this expenditure could not be formally assessed by the Inspectorate given their current statutory remit. The Department told us that it is now considering proposals to extend the Inspectorate's access rights to allow it to cover commissioners' offices delivering force functions.

¹⁹ The Policing Protocol Order 2011, November 2011.

3.7 Commissioners do not just deal with the police. The Department has ceased some local grants in favour of a new Community Safety Fund which commissioners are free to allocate to address their local area's crime reduction and community safety priorities (see paragraph 2.20). Currently commissioners give the vast majority of funding to the police force. We reviewed funding for ten local areas and found that the highest planned proportion spent by any commissioner on non-policing activity was just 3.6 per cent of all expenditure in 2013-14. As commissioners develop their plans and priorities over time this expenditure may increase, but while such payments are subject to scrutiny by external audit, they fall outside the scope of the current Inspectorate regime and there is no equivalent scrutiny body for this category of expenditure.

System monitoring and interventions

3.8 Commissioners are accountable to the local electorate for the discharge of their functions. Elections are held every four years, but the system statement does not specify any process to recall an elected commissioner if they fail to fulfil their duties for any reason. More generally, the powers of police and crime panels are limited. Panels can veto the commissioner's preferred appointment for chief constable, and intended level of precept, with a two-thirds majority. The chief constable veto, however, only applies to the commissioner's first choice for the post. The panel can make a recommendation on the commissioner's second choice for chief constable but the commissioner can ignore it. Panels can also hold confirmation hearings and request information from commissioners, but these are scrutiny functions and panels lack any further powers to act on their findings. This raises the risk that if serious issues arise with a commissioner's performance or conduct it may be difficult or impossible for local people or the police and crime panel to address them.

3.9 The Committee of Public Accounts has stated that increasing localism does not obviate the need for the Department to build good links and relationships with local policing bodies. It needs to do so to gain advance warning of issues and deal with them quickly.²⁰ The Department has made significant efforts in this, starting an informal buddying system where each chief constable and commissioner's chief executive are paired with a senior Department official. This is designed to give the Department insight on emerging local issues, while also providing local areas with a single, senior point of contact. In five areas interviewees were positive about this arrangement. The Department has also communicated more formally, such as by sending letters to chief constables and commissioner's chief executives to explain the latest developments, for example regarding stage two transfers.

20 HC Committee of Public Accounts, *Police procurement*, Twenty-first Report of Session 2013-14, HC 115, September 2013.

3.10 The system statement sets out a range of 'backstop' powers that the Secretary of State can use, such as:

- directing the Inspectorate to look into and report on a specific issue;
- enforcing or terminating collaborative arrangements between police forces and other bodies; and
- giving directions to a local policing body in the case of systemic failure, or where there is a danger that effective policing might not be delivered.

The statement does not explain, however, what specific circumstances would prompt their use, or the exact process for using them.

3.11 The statement explains that failures in the assurance system should be identified locally through the new arrangements and that the Department can use its backstop powers to intervene if necessary. The statement does not, however, describe how the Department will gain continuous assurance that the framework is operating as intended, nor specify any review mechanism to routinely check for issues.

The accountability system in practice

3.12 The framework of assurance in the accountability system statement has been operating for just over a year now. The various elements of the framework – commissioners, panels, chief constables, chief financial officers and audit/inspection arrangements – are operational. However, with only one year's worth of accounts, data and inspection reports, it is too early to judge how effectively they have been working.

3.13 While the arrangements are still relatively immature, in seven of nine areas we visited we were told that having an elected commissioner could potentially increase local accountability compared with the previous police authorities: we were told that commissioners have more direct powers and extra legitimacy from their elected mandate and are better placed to hold chief constables to account.

Guidance on implementing the reforms

3.14 The Department intended its reforms to increase local accountability and wanted local policing bodies to develop appropriate local arrangements. It did not, therefore, issue detailed guidance on various aspects of transferring to the new system; instead the Department told us it had worked with other stakeholders to support the transition and help them develop their own guidance documents. For example, the Department worked with the Association of Police and Crime Chief Executives to produce briefings for commissioners on their roles and responsibilities. The Department also facilitated a number of working groups to help stakeholders transition to the new accounting arrangements.

3.15 Despite these attempts, we found many people would have liked more guidance on certain aspects of the reforms. For example, interviewees in eight of the nine areas we visited said that there was a lack of official guidance on the police and crime panel's role. Other organisations, such as the Local Government Association and Centre for Public Scrutiny, have tried to fill this gap by releasing their own independent guidance.^{21, 22} Other areas where interviewees felt guidance was lacking were stage two transfers (see paragraphs 2.16 and 2.17) and in preparing the annual accounts (see paragraphs 2.21 to 2.23). The Department did ultimately provide guidance for some of these areas, such as an interim statement of governance principles which clarified how corporate documents should look in the new system. However, we were told this was not released until close to the elections.

The operation of components of the assurance system

Police and crime panels

3.16 The system statement says that police and crime panels, as the statutory oversight and scrutiny committee, are the most important check in the local accountability system. Panels have a range of powers available to hold the commissioner to account, including veto powers over the commissioner's proposed precept level and chosen candidate for chief constable. Panels can hold confirmation hearings for other key appointments, such as the chief financial officer and can request information from the commissioner and the force. They can even call the commissioner to answer questions in public.

3.17 However, representatives of six of nine panels we spoke to saw the panel's powers as inadequate. The Home Affairs Select Committee echoed these concerns in its report *Police and Crime Commissioners: power to remove Chief Constables*.²³ The report found that the statutory provisions that panels have with respect to dismissals were limited and could be evaded. Six panels told us they were not able to get information they needed to hold the commissioner to account, such as drafts of key documents like police and crime plans or detailed information on force performance.

3.18 Police and crime panels may not have sufficient resources to carry out scrutiny functions. The annual budget for police and crime panels set by the Department is £53,000 based on its assumption that panels would meet four times a year. But with confirmation hearings taking place in the first year of the reforms we found that panels had met on average seven times in the 11 months to October 2013. Local authorities can top up panel funding if more meetings are required or additional work needed, but there is no certainty over such funds being provided.

21 Local Government Association and Centre for Public Scrutiny, *Police and Crime Panels: guidance on role and composition*.

22 Association of Police and Crime Commissioners, *APCC Briefing, Police and crime panels: composition, role and functions*.

23 Home Affairs Select Committee, *Police and Crime Commissioners: power to remove Chief Constables*, Session 2013-14, HC 487, July 2013.

Joint audit committees

3.19 In line with the *Financial Management Code of Practice*,²⁴ commissioners and chief constables in each local area have established a joint audit committee. This comprises three to five people independent of the force and commissioner's office. These committees consider the internal and external audit reports for the commissioner's office and the police force, and advise the commissioner and chief constable on governance principles and risk management. We found the majority of areas were broadly positive about how these committees had been operating. They found it provided a useful scrutiny function, with access to a wide range of skills and understanding of best practice.

External audit

3.20 Scrutiny by external auditors is identified in the Department's system statement as a key element of the assurance framework. External auditors provide an independent, annual view on whether the accounts are true and fair and on the adequacy of arrangements to secure value for money. However, the Department's system statement indicates a potential expectation gap between the assurance the Department believes it is getting from external auditors and what auditors are required to do. More specifically, auditors are not required to reach a conclusion on whether value for money has actually been secured at the local level. In reaching their conclusions on arrangements for securing value for money, auditors are required to adopt a proportionate and risk-based approach to their work and, to minimise the burden on audited bodies, to place reliance on the reported results of the work of others where relevant work has been undertaken – for example, by the Inspectorate, other inspectorates/review agencies and internal audit.

3.21 Since 2008-09 the Audit Commission has published an annual Auditing the Accounts report. Drawing upon the work of local auditors, this report summarises and helps the Department understand the results of appointed auditors' work at police bodies. Once the Audit Commission has been abolished in 2015, this report will no longer be produced. In light of this, the Department needs to consider how it will draw upon the work of local auditors in the future.

3.22 The Audit Commission normally requires local external auditors to report on specified criteria around arrangements to secure the economic, efficient and effective use of resources, for example the financial resilience of the audited body and its prioritisation of resources. For 2012-13 it took a decision to disapply the usual criteria for all offices of commissioners and chief constables located outside London to allow auditors to focus more on the key risks of the transition mid-year from police authorities and to enable them to report on a more appropriate basis to the new bodies, given they had not been responsible for the arrangements for the whole reporting period. This change did not affect the volume of value-for-money work required, which was consistent with previous years and represents a one-off arrangement with the usual reporting criteria having been reintroduced for 2013-14.

²⁴ Home Office, *Financial Management Code of Practice for the Police Service of England and Wales*, January 2012 (updated in September 2013).

Chief financial officers

3.23 The 2011 act requires that commissioners and chief constables appoint chief financial officers. In six areas nationwide this role is undertaken by the same individual for force and commissioner. Chief constables and commissioners can opt to share a chief financial officer, for example because the force is relatively small or it is a transitional arrangement. Sharing could reduce costs and is permitted under the 2011 act. However, Chartered Institute of Public Finance (CIPFA) guidance strongly advocates that each chief financial officer should form part of their respective leadership team. A shared post presents potential risks:

- There is a potential conflict of interest where the chief financial officer might not be able to give unfettered advice to either party. For example, if the chief constable wants to reduce the cost of services bought in from the local council, they might ask the force chief financial officer to come back with some options. If the commissioner then asks the office's chief financial officer to examine the options presented to assess if they are value for money, effectively the chief financial officer has to check whether they have chosen the best option to reduce service costs.
- A joint chief financial officer may get caught in the middle of any disagreement between the commissioner and chief constable.
- Sharing a joint chief financial officer may create the perception that the commissioner is too close to the police force and cannot hold it to account effectively.

CIPFA guidance states that those areas looking to appoint a single chief financial officer across the force and commissioner's office must reassure themselves that any potential conflicts of interest will be appropriately handled.

The College of Policing

3.24 The College of Policing, established late in 2012, has taken on some of the roles of the old National Policing Improvement Agency. In the new accountability arrangements, the Department told us that the College has a role in creating guidelines such as the Code of Ethics, currently being drafted, and identifying and disseminating best practice. This role will become increasingly important given the greater freedom commissioners and forces now have to experiment and develop innovations that could be implemented elsewhere.

3.25 During fieldwork, we found that the College had started providing training courses and hosting conferences. The College had also done individual pieces of work for local forces, such as running an independent review into local violent crime in Humberside. However, at the time of our fieldwork many people we spoke to in local police force areas had had little contact with the College.

Public access to information

3.26 The Department wants the public to play the key role in scrutinising the performance of their local police force and holding commissioners to account via elections. A range of information is available to the public to help assess their force's performance. This is published locally by the commissioner or the police force, or nationally by the Inspectorate or Department.

3.27 Commissioners must, by statute, publish certain types of information. The Elected Local Policing Bodies (Specified Information) Order 2011 lists 36 discrete pieces of data that should be published by the commissioner, such as a list of contracts over £500 in value and the value-for-money justification for them.²⁵ Separately, the Information Commissioners Office has published guidance on what information police forces could publish. We examined the websites of 15 commissioners and police forces in October 2013 to see if this information was easily available. We found that no commissioners or police forces were publishing all the required information, with the percentage of data fully complete and easily accessible varying by force area from 43 to 75 per cent. We also found significant variation in the availability of different categories of information. For example, data on expenditure and contracts was notably more difficult to find than contact details (see **Figure 5** overleaf).

3.28 Aside from local data, the Inspectorate publishes a wide range of information that can be used to benchmark performance across different police forces. These include:

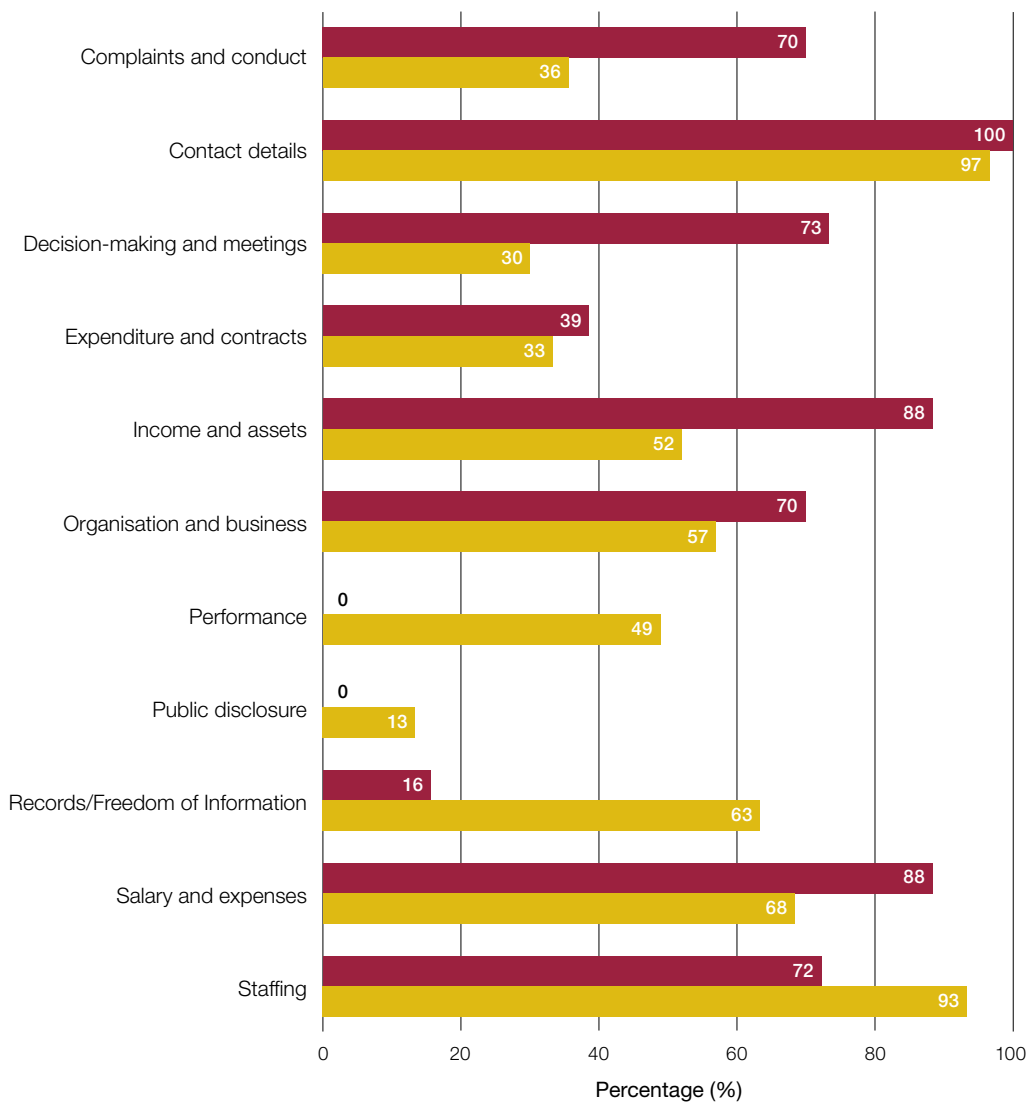
- **Value for money profiles:** compiled from the data submitted by police forces (to the Department or via CIPFA) on crime, crime outcomes, user satisfaction, workforce and finance. This is a wide-ranging data set covering expenditure by area of activity and business function, as well as staffing and crime data.
- **Valuing the police data:** produced for the Inspectorate's valuing the police inspection programme, this includes surveys of public awareness and opinions about policing and service outcomes, as well as a range of financial, salary and staff data collected from forces (including future plans).
- **Crime and policing comparator data:** this public-facing tool and accompanying data set provides simple comparisons between forces on some headline crime, outliers, workforce and financial indicators.

²⁵ The Elected Local Policing Bodies (Specified Information) Order 2011, December 2011.

Figure 5

Average proportion of data easily accessible on commissioner and police force websites

Not all data that forces and commissioner offices should publish is easily accessible



■ Office of the commissioner
 ■ Police force

Notes

- 1 Graph does not include data which we considered only partially met requirement.
- 2 Easily accessible means data could be found in ten minutes.

Source: National Audit Office analysis

3.29 These data sets are the main evidence base available to compare forces and identify areas of relative under- or over-performance:

- Police forces told us they use this data to benchmark themselves with other forces, especially those in their most similar group. A most similar group includes police force areas that are similar based on demographic, social and economic characteristics.
- Commissioners said that Inspectorate data was vital in determining whether their police force was achieving value for money.
- External audit told us that Inspectorate data and reports helped inform their value-for-money conclusion.
- The Department told us that Inspectorate reports help them identify any issues with forces, such as whether a force is well positioned or not to meet the savings targets set under the spending reviews.

3.30 Police forces told us that they typically investigate any data outliers in their own force's performance to identify the reasons and context for the deviation, which are not always clear. This is because it is difficult to benchmark performance across police forces as they have different business models. The challenge has been increased still further by the increasing variety of local approaches resulting from the reforms.

3.31 Without access to the resources and expertise to critically review it, the public may get a skewed view of police force performance by only being able to take performance data at face value. While Inspectorate data is freely available for the public to use, the Committee of Public Accounts has expressed concerns about how understandable it is.²⁶ The Department has accepted the Committee's concerns regarding data accessibility and is speaking to the Inspectorate to establish how to increase accessibility and transparency. The Inspectorate told us it is currently undertaking a programme of work to make it easier for the public to see how their force is performing, and plans to produce new assessments which will provide more narrative explanations expanding on the underlying causes of any marking in its reports. The Department told us it is looking to integrate police data provided by the Inspectorate within its www.police.uk website, which is visited by nearly half a million members of the public each month.

²⁶ HC Committee of Public Accounts, *Police Procurement*, Session 2013-14, HC 115, September 2013.

Appendix One

Our audit approach

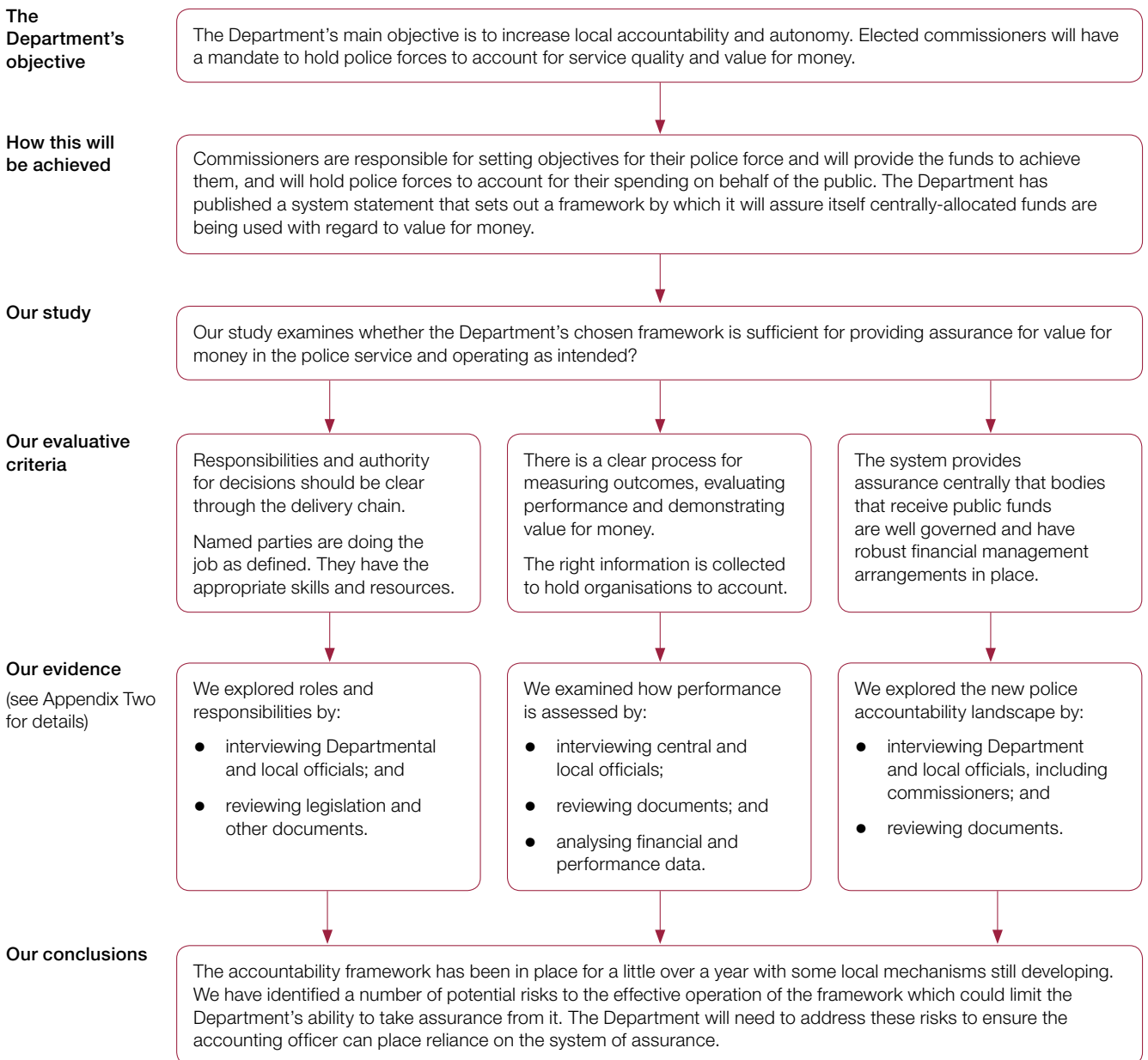
1 This review examines the impact of electing police and crime commissioners on police governance. We assessed whether the Department's chosen framework for assessing value for money in the police service will enable it to assure Parliament that funds it allocates are being spent with regard to value for money. Our main evaluative criteria were the five principles of accountability set by the Committee of Public Accounts, which establish the standards of accountability in a devolved delivery model. In particular, we reviewed:

- system design – the legislation and supporting documents – to assess how the system of police accountability is intended to work;
- the links and lines of communication between the Department and local bodies;
- the roles and responsibilities of central (Home Office, HM Inspectorate of Constabulary, the College of Policing) and local bodies (including police forces, police and crime commissioners, and local financial auditors);
- what data and information is collected and how; and
- current and future opportunities and risks to value for money from the new governance and accountability arrangements.

2 We summarise our audit approach in **Figure 6**. We describe our evidence base in Appendix Two.

Figure 6

Our audit approach



Appendix Two

Our evidence

- 1 We reached our findings and conclusion on the impact of reforms to police governance and the potential risks and opportunities from the new accountability structures after analysing information and data we collected between July and November 2013.
- 2 It is too soon to conclude whether these reforms have achieved/will achieve value for money. The reforms have only been in place a year and only one set of financial accounts has been published.
- 3 We assessed the local implementation and impact of the reforms:
 - We visited nine police force areas: Dorset, Humberside, Kent, Bedfordshire, Leicestershire, North Wales, Northumbria, Thames Valley and the Metropolitan Police Service. In each area, where possible, we interviewed the police and crime commissioner, the chief executive of the office of the commissioner, the chief financial officers of the office and police force, the chief constable, and representatives of the police and crime panel, joint audit committee and external auditors.
 - We reviewed local documents including published financial accounts, performance reports and internal documents. This included:
 - A review of police and crime plans issued by ten randomly selected police force areas.
 - A survey of 15 randomly selected commissioners' offices and police forces' websites to see what data and documents were published on them. Our focus was on ease of access so we gave ourselves a finite time (maximum of ten minutes) to search for each item.
 - We conducted nearly 100 interviews with representatives from the police force, the office of the police and crime commissioner and the Department to understand: the legislative reforms to police accountability and governance; how these are working; and potential risks and benefits.
 - We examined spending and funding data published by Her Majesty's Inspectorate of Constabulary.

4 We assessed the theory behind the new accountability frameworks and identified risks and benefits:

- We reviewed approximately 100 internal and published documents to understand the legislative reforms to the police accountability structures. This included the primary and secondary legislation that enacted the reforms. Documents we reviewed included the 2011 act, publications from the Association of Police and Crime Commissioners, and internal meeting minutes from the offices of the police and crime commissioners, the Home Office and police forces.
- We interviewed staff at the Home Office, Inspectorate and other national bodies to get their views on the setting up and operating of the new accountability framework.
- We held a workshop with four chief financial officers drawn from the nine case study areas. We discussed how the accountability systems work from an operational viewpoint, with particular focus on skill gaps and issues of conflict.
- We held a workshop with the Department to obtain their views on how the new accountability frameworks had been implemented and were operating.



This report has been printed on Evolution Digital Satin and contains material sourced from responsibly managed and sustainable forests certified in accordance with the FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation, which ensures that they have effective procedures in place to manage waste and practices that may affect the environment.

Design and Production by
NAO Communications
DP Ref: 10335-001



National Audit Office

Published by TSO (The Stationery Office)
and available from:

Online
www.tsoshop.co.uk

Mail, telephone, fax and email
TSO
PO Box 29, Norwich NR3 1GN
Telephone orders/general enquiries: 0870 600 5522
Order through the Parliamentary Hotline
Lo-Call 0845 7 023474
Fax orders: 0870 600 5533
Email: customer.services@tso.co.uk
Textphone: 0870 240 3701

The Houses of Parliament Shop
12 Bridge Street, Parliament Square,
London SW1A 2JX
Telephone orders/general enquiries: 020 7219 3890
Fax orders: 020 7219 3866
Email: shop@parliament.uk
Internet: <http://www.shop.parliament.uk>

TSO@Blackwell and other accredited agents

£16.00

ISBN 978-0-10-298743-0

