

Committee(s):	Date:
Police Committee – <i>for information</i>	1 November 2018
Finance Committee – <i>for information</i>	13 November 2018
Policy & Resources Committee – <i>for decision</i>	15 November 2018
Establishment Committee – <i>for decision</i>	3 December 2018
Court of Common Council – <i>for decision</i>	6 December 2018
Subject: Review of the City of London Police Authority – Resourcing & Governance Arrangements	Public
Report of: Town Clerk & Chief Executive	For Decision
Report author: Caroline Al-Beyerty, Deputy Chamberlain, and Alex Orme, Policy Manager (Police Authority)	

Summary

The report outlines proposals to enhance the Police Authority function within the City of London Corporation (City Corporation) in line with its responsibilities as the Police Authority for the City of London Police Force (City Police). The current Police Authority structure is based on a historic resourcing model and does not mirror the evolving staffing structures in the Police and Crime Commissioner Offices (OPCC) and although outside the PCC arrangements, the City Corporation has undertaken to mirror other Local Policing Bodies governance arrangements in its oversight of the City Police.

Staffing arrangements in PCC offices have been researched (Appendix 1) and it is now recommended that there is a need for the Police Authority to adjust the current staffing model. Many of the PCC Offices now have professional support built into their core team whereas the Corporation's Police Authority continues to have a small core team that has access to the Corporations' professional services who, while providing these functions, tend to do so on an ad hoc basis. There is therefore a need to formalise these support arrangements, it is suggested through developing service level agreements.

There is a specific need to enhance the Police Authority finance function provided by the Chamberlain's Department to resource the Authority's strategic finance responsibilities, including development of the Medium-Term Financial Plan and to strengthen the oversight and scrutiny of the Force's financial performance. It is also proposed that the Corporation increase the number of staff within the Police Authority core team to meet the new appeals process and current Independent Custody Visitor (ICV) requirements.

The report, therefore, seeks approval of funding for three FTE posts at a total cost of up to £250,000. These additional posts, coupled with the development of service level agreements, will allow the Police Authority to strengthen its governance arrangements in areas identified for enhancement including strategic leadership, community engagement and performance management.

Finally, further work needs to be undertaken to establish the full cost of providing the Police Authority function for comparative benchmarking and Value for Money purposes.

Recommendation(s)

Members are asked to:

For Policy & Resources and Establishment Committee:

- Approve the creation of two FTE finance posts, including a Grade I post, at a cost of up to 195,000 and one FTE Town Clerk's post at a cost of up to £55,000 to strengthen the capacity and capability of the Police Authority;

For Court of Common Council:

- Approve a base budget uplift to the Police Authority within City Fund of up to £250,000 with effect from 2019/20 to be considered as part of the annual budget setting and medium-term financial planning process; and the creation of a Grade I post in the Chamberlain's Department.

For all Committees:

- Note the intention to introduce service level agreements between the Police Authority and the Corporation's professional support services; and
- Note the improvement to the governance arrangements that will enhance the Police Authority's oversight and scrutiny function including greater strategic leadership and community engagement and better performance management arrangements.
- Note the intention to establish the full cost of the Police Authority function for benchmarking and Value for Money purposes.
- Note, if approved, posts will be recruited to and will be a cost pressure on the Chamberlain's and Town Clerk's 2018/19 budgets. If required, a funding request may be made to Finance Committee for contingency funding late in the financial year.

Introduction

1. The City of London Corporation's Police Authority plays a vital role in the governance of policing within the Square Mile, overseeing spending of £132 million in 2018/19. The Police Authority is expected to ensure that City of London Police delivers efficient and effective policing for the public. The 1996 Police Act, legislation set out the roles and responsibilities of Police Authorities. The City of London acts as one of the 'checks and balances' in a two-part system of shared responsibilities with the City of London's Police Commissioner.
2. The proposals in this report seek to minimise duplication of expenditure on City Police functions, whilst achieving consistency with the statutory obligations imposed on both the City Corporation and City Police to discharge separate responsibilities in their respective capacities as Police Authority and police force.

Indeed, there are significant opportunities for greater collaboration between the respective finance teams of the City Corporation and the City Police whilst achieving consistency with the need to respect and ensure the operational autonomy of the Commissioner. These proposals are, therefore, likely to be complemented in due course by a reorganisation of the City Police finance team in light of reviews commissioned by the City Police Commissioner.

3. The City Corporation is anomalous in retaining a Police Authority in the form of the Court of Common Council, acting through the Police Committee and other relevant Committees to which the Common Council has delegated its general functions of superintendence. This anomaly is sustained by a standing agreement between the City Corporation and the Home Secretary, first negotiated prior to the passage of the Police and Magistrates' Courts Act 1994, that the Common Council would undertake to mirror national governance arrangements in its oversight of the City Police.
4. Further to guidance from Home Office and CIPFA, the role of the City Corporation's police authority finance team is primarily about the challenge, assurance, scrutiny and strategic overview of City Police budgets. Within this framework, the team would focus, on behalf of the police authority, on scrutinising financial information, budget planning and accounting processes, intervening and supporting colleagues in the City Police where appropriate to ensure compliance with City Corporation best practice, as well as the expectations of our external auditors.
5. The legislation envisages that the Police Authority and Police Force would have two separate Chief Finance Officers (CFOs). In order to achieve efficiencies, some PCCs and Forces have decided to appoint the same individual to carry out both roles, albeit with processes in place to avoid conflicts of interest for postholders; it is important to note that, further to the guidance, such arrangements can only be put in place with the consent of the Chief Constable (i.e. the Commissioner).
6. While it is important to note that the enhanced police authority finance function is not responsible for the day-to-day management of Police budgets, which lies within the purview of the Commissioner, it will be necessary for the respective finance teams to work very closely together, underpinned by a culture of mutual collaboration and mutual openness. Nowhere will this be more important than in setting the medium-term financial plan for the City Police, for which the police authority is responsible.
7. Finally, it is important to note the other Committees that have a role in the governance of the Police Authority on behalf of the Court of Common Council. These are the Establishment Committee which is responsible for personnel (staffing) and establishment matters for civilian staff and the Finance Committee which ensures that the City of London Corporation achieves value for money in all its activities and provides careful stewardship of the City Corporation's funds and the Audit & Risk Committee.

Main Report

Resourcing the Police Authority – current capacity and capability

8. The Police Authority's roles and responsibilities changed significantly with the introduction of Police and Crime Commissioner's in October 2012 (Police Reform and Social Responsibility Act 2011). At that time, the Corporation increased the staffing complement slightly to reflect the new legislation but did not undertake a comprehensive capacity and capability review to take into account:
 - a) the significant changes in role and responsibilities; and
 - b) the Corporation's need to mirror the arrangements in other Policing areas as a result of an undertaking given first given prior to the passage of the Police and Magistrates' Act 1994.
9. The resourcing (staffing) levels remain significantly lower than those in the newly created Offices of Police and Crime Commissioners (the OPCCs) across the country. An analysis of staff numbers (see Appendix 1) shows a significant difference in the number of core staff employed. Our Police Authority FTE posts are 2.15 FTE (consisting of the Policy Manager (Police Authority), Policy Officer and 0.15 FTE for an ICV Scheme Manager (Compliance)) compared to an average of 14.4 FTE posts (for the nine smallest of the 43 OPCC's). The average OPCC budget is £1.12 million compared to £200k for the Police Authority core team.
10. The increase in size in the PCC offices is largely due to a growth in their communications and engagement, commissioning and administrative support functions. Our Police Authority does have access to the City of London Corporation's professional support services to provide many of these functions. However, this is on an ad-hoc basis even though the Police Authority should be using a similar amount of professional support as many of the OPCCs. The table in Appendix 2 sets out who within the Corporation provides the standard OPCC functions for the Police Authority.
11. Through our service commissioner role, we have been able to meet some of the shortfall in capacity by using the Corporation's professional support services. However, given the complexity of the City Corporation's obligations it is now proposed to strengthen these arrangements through a combination of dedicated extra staffing and the introduction of service level agreements with our professional support services. This will enhance the oversight and scrutiny of the Force by the Police Authority.
12. Whilst, the research was able to establish the direct costs of the core team it was unable to determine the full cost of running the Police Authority function because it was difficult to identify the cost and time commitment from the service providers across the wider Corporation. Hence, there is no comparative financial analysis provided in this report. Therefore, the Police Authority needs to work with the Chamberlain's to establish the full cost of providing the Police Authority function for comparative benchmarking and VFM purposes.

Core team capacity

13. As the Police Authority is part of the City of London Corporation, it has the benefit of being able to access the Corporation's professional support services (Finance, HR, Communications, legal, etc.). This means that the core team can remain small and use these services instead of having these posts built into the core team (like other OPCCs). However, there is a requirement to enhance capacity within the core team to meet the new complaints reviews arrangements (which is a statutory function transferring to PCCs and Authorities early in 2019), assist the ICV Manager and to help support the growing day-to-day demands of running a Police Authority. The proposed requirement is one FTE post (Grade D), identified in white in the organogram in appendix 3.

Service support – professional advice, guidance and support for the Police Authority and Police Committee

14. The Corporation's professional support services provide advice, guidance and support for the Police Authority and Police Committee, but this tends to be on an ad hoc basis. There is therefore a need to formalise these arrangements through a service level agreement approach that ensures that there is a written agreement between the professional support service and the Police Authority. The agreement will provide service standards, expectations and will state the minimum level of service required to meet the business needs.

Police Authority Finance – Oversight & Scrutiny

15. There is a need to further enhance the Police Authority finance function to enable the Authority to lead more effectively on the Police Medium Term Financial Plan, to strengthen the Police Authority's ability to challenge and scrutinise City Police Budgets, enable greater assurance and provide Member's with a clear strategic overview. Therefore, to increase the capacity of the Police Authority to enhance the financial oversight & scrutiny of the Force, it is proposed that two FTE posts (1x Grade I; 1 x Grade G) in the Chamberlain's Department are required - identified in white in the organogram in appendix 3.

Review of the current governance arrangements

16. Alongside a look at resourcing, the Town Clerk's Department also undertook a review of the Police Authority's current governance arrangements and identified potential areas for improvement (using the HMIC Police Authority Inspection Methodology 2010 – effectiveness measures) and has identified the following areas where improvements could be made:

- Police Committee taking a greater strategic lead in shaping the policing plan;
- The Corporation developing arrangements for capturing community concerns and needs, and using this to inform police priority setting; and
- Improving the information provided to Police Authority/Police Committee to enable it to scrutinise police performance effectively

Financial Implications

17. The total cost of the proposed new staff would be up to £250,000. This includes on-costs of 32% calculated at the top of the pay scale and a Market Forces Supplement for the Grade I finance position.
18. It is proposed that this sum be included in the 2019/20 budget as part of the annual medium-term financial planning process, funded from City Fund.
19. If approved, the posts will be recruited to immediately and Members are asked to note that this will be a cost pressure on both the Chamberlain's and the Town Clerk's 2018/19 budgets. If required, a funding request may be made to Finance Committee for contingency funding late in the financial year.

Conclusion

20. The current Police Authority staffing model is based on a historic resourcing model and to ensure the City Corporation discharges its duties as a Police Authority there is a need to strengthen the capacity and capability of the Police Authority to mirror other PCC Offices and to reflect the changes in the policing world. The current governance arrangements - when measured against HMIC Police Authority effectiveness measures – require strengthening to ensure the Police Authority can continue to robustly and effectively support and challenge the Force.

Appendices

- Appendix 1 – Cost Comparison of OPCCs
- Appendix 2 – Standard OPCC Functions/Corporation Officers
- Appendix 3 – Proposed Police Authority Organogram

Background Papers

None

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