



**To:** Joint Audit Committee  
**From:** Dr Dorothy Gregson, Chief Executive  
**Date:** 29<sup>th</sup> June 2015

## Cost of Office of the Police and Crime Commissioner

### 1. Recommendations

- 1.1. The Committee is asked to note the contents of the report and consider the appropriateness of the approach taken to staffing the Office of the Police and Crime Commissioner (OPCC).

### 2. Background

- 2.1 In light of recent questions about the costs of the OPCC, this report seeks to demonstrate the appropriateness of the approach taken to staffing the OPCC to enable the Commissioner to deliver his functions.
- 2.2 In response to the scale of the change agenda which the Commissioner is responsible for, he has chosen to transfer posts which historically sat within the Constabulary budget to:
- set the strategic direction for estates;
  - independently analyse and set the financial strategic direction for policing; and
  - engage effectively with the public.
- 2.3 The Commissioner has also had to make arrangements to deliver the many additional responsibilities he has compared the Authority including:
- ensuring victims are supported to cope and recover;
  - introducing new approaches to restorative justice
  - driving efficiency and effectiveness in the community safety and criminal justice arenas.
- 2.4 Delivery of new functions and the transfer of the leadership of some functions which historically sat within the Constabulary mean that a direct comparison with Police

Authority costs cannot be made. It is also difficult to compare costs across other OPCCs, many of which rely on the Constabulary to deliver aspects of their core functions.

- 2.5 The work and leadership of the Commissioner supported by the OPCC has enabled savings of £13.7m to be achieved in the period 2012/13 to 2014/15 while maintaining the number of frontline constables. Extra funding has also been leveraged in to deliver services for the benefit of the people of Cambridgeshire.
- 2.6 Her Majesty's Inspectorate of Constabulary's (HMIC) first annual Police Effectiveness, Efficiency and Legitimacy (PEEL) assessment published in November 2014 assessed Cambridgeshire Constabulary as good. It found it to be low cost and high performing, with a strong focus on the needs of victims and good at reducing crime and preventing offending.
- 2.7 Significant challenges remain for the future. The Medium Term Financial Strategy 2015-19 shows a forecast budget gap of £17m by 2018/19, with policing likely to face further budget pressures in the future. Child Sexual Exploitation, sexual violence and computer enabled crime are all under-reported. The threat from terrorism remains. This is set against a backdrop of reducing resources across the public sector, including those partners that we need to work with to respond to and reduce crime and anti-social behaviour. The role of Police and Crime Commissioners is set to increase further as blue light collaboration is enabled by the government.
- 2.8 The 2015-16 budget for the OPCC is £1.244m. The OPCC detailed budget is shown at appendix 1.

### **3. Statutory Functions of the Police and Crime Commissioner**

- 3.1 The range and scope of functions of the Police and Crime Commissioner are set out within the Police Reform and Social Responsibility Act, the Police Act and the Crime and Disorder Act. These functions increased considerably from the core function of a Police Authority to secure the maintenance of an efficient and effective police force for that area.
- 3.2 Commissioners have a duty to prepare a Police and Crime Plan, which not only sets the policing objectives but also embraces work to reduce crime. Commissioners must drive both efficiency and effectiveness in policing and in the wider criminal justice and community safety arenas. Police authorities did not have commissioning powers.

### **4. Statutory Appointments**

- 4.1 The legislation enables the Commissioner to appoint a non-politically restricted Deputy. The Deputy's appointment was subject to a confirmation hearing by the Police

and Crime Panel. The replacement of the seventeen member Police Authority with the Commissioner and Deputy created annual savings of £100,000.

- 4.2 The Commissioner must appoint a Chief Executive and a Chief Finance Officer, who have individual statutory responsibilities for ensuring the legality and financial probity of the Commissioner's work.
- 4.3 The Chief Executive was transferred from the previous Police Authority, this meant she was not subject to a confirmation hearing.
- 4.4 The Commissioner has recently appointed a full time Director of Finance to ensure a robust and appropriately innovative approach to drive out the necessary cash releasing savings over the next five years. They will also ensure robust governance and internal audit mechanisms are in place within the OPCC and Constabulary. The Commissioner felt strongly that in order to deliver his core duties of setting effective financial strategies and securing the maintenance of an efficient and effective police force and driving the efficiency and effectiveness of the criminal justice and community safety arenas he must have high quality and independent financial support. This appointment was subject to a confirmation hearing by the Police and Crime Panel.

## **5. Ensuring Capacity to Prepare and Deliver the Police and Crime Plan**

- 5.1 Historically Police Authorities were the employer of all Police Staff, although the majority of the staff were under the line management of the Chief Constable. In April 2014, Police and Crime Commissioners had to determine which posts remained under their employment (and moved into their management structures) and which transferred to the employment of the Constabulary. The Commissioner took this opportunity to ensure he had direct responsibility for staff with key roles for implementing his functions and priorities. This transferred costs to the OPCC which had historically sat with the Constabulary.
- 5.2 A key area where the Commissioner strengthened the support available to him was the finance function. The Commissioner is responsible for an annual budget of some £130m. In the period 2012/13 to 2014/15 savings of £13.7m have been achieved while maintaining the number of frontline constables. The latest HMIC Valuing the Police Assessment stated that "Cambridgeshire faces a particularly difficult financial challenge as it was already a low-cost constabulary. This means it will find it harder to find further savings than many other forces".
- 5.3 Against this backdrop the Commissioner has appointed a full time Director of Finance as set out above. This post is supported by a Strategic Accountant which provides the capacity to provide the Commissioner with research, review and financial modelling capacity to ensure the Commissioner is able to respond to emerging financial issues and benefit from best practice in other organisations. They formulate plans and deliver a programme of financial reviews to ensure that the Commissioner's financial

objectives are satisfied, as well as monitoring and administering grants issued by the Commissioner.

- 5.4 The Director of Estates post was retained within the employment of the OPCC in recognition of the fact that the Commissioner is the owner of a £34.6m estates portfolio and is responsible for all leases. The Director of Estates provides the strategic management for all police property assets, taking a lead role in development and planning and providing effective leadership and guidance to ensure that the estate reflects the changing nature of policing and provides suitable and sufficient accommodation at an affordable price.
- 5.5 The Commissioner has also secured appropriate support in order to ensure continued scrutiny and oversight of the implications of the large collaboration projects being undertaken to deliver the savings required over the next few years. This is funded by a £100,000 underspend during 2014/15 which is held in a reserve to be used in 2015/16 to provide an in depth overview for the Commissioner of BCH collaboration and commissioning services.
- 5.6 Another area where the Commissioner strengthened the support available to him was in ensuring that the Commissioner is the voice of the public and not the voice of the police. Commissioners are directly accountable to the electorate. They have a duty to obtain, and have regard to, the views of the community on policing and for obtaining the views of victims of crime. In recognition of this key role, the Commissioner retained within his employment the most senior communication role. Two outreach worker roles now cover both the north and south of the county.
- 5.7 The Commissioner has also strengthened the capacity to embrace new opportunities such as funding for victims and restorative justice, through the post of Strategic Advisor. Community safety grant allocations and the victims' services grant amount to £2.3m. A Volunteer Co-ordinator has increased the numbers of volunteers engaging with the work of the Commissioner. This means the Commissioner has been able to introduce a Volunteer Police Cadet scheme and continue to oversee the work of independent custody visitors who ensure the human rights of those in custody are respected.
- 5.8 The Commissioner's capacity to ensure appropriate, accountable and transparent decision making, governance, performance oversight and complaints handling and monitoring has been maintained. This has supported the Commissioner in driving rapid change to ensure savings are realised and to support the delivery of the Police and Crime Plan and partnership agendas. The Commissioner is also now responsible for oversight of the BCH collaborated Professional Standards Department function. There is also a small administrative function to provide PA and administrative support across the office.
- 5.9 The Commissioner moved the office out of Police Headquarters to support its independence from the Constabulary.

- 5.10 As noted above, the work and leadership of the Commissioner supported by the OPCC has enabled savings of £13.7m to be achieved in the period 2012/13 to 2014/15 while maintaining the number of frontline constables. Extra funding has also been leveraged into Cambridgeshire to deliver services for the benefit of the people of Cambridgeshire including some £5.5m from the Home Office Innovation Fund; £345,000 from the Ministry of Justice Competed Fund for Victims; and over £100,000 from the Sexual Violence Fund.
- 5.11 The OPCC has also supported the Commissioner in:
- opening one of the first Victims' Hubs in the country
  - introducing a Volunteer Police Cadet scheme
  - enabling the introduction of technology to free up police officer time
  - enabling significant face to face contact and feedback from the public and local representatives such as local councillors
  - introducing a network of police contact points to support the public in talking to the police on a one-to-one basis
  - gaining widespread partner support for implementing the Mental Health Concordat
  - progressing further collaboration through the Strategic Alliance between Bedfordshire Police, Cambridgeshire Constabulary and Hertfordshire Constabulary.
- 5.12 Her Majesty's Inspectorate of Constabulary first annual Police Effectiveness, Efficiency and Legitimacy (PEEL) assessment published in November 2014 assessed Cambridgeshire Constabulary as good. It found it to be low cost and high performing, with a strong focus on the needs of victims and good at reducing crime and preventing offending.

## 6. Recommendations

- 6.1. The Committee is asked to note the contents of the report and consider the appropriateness of the approach taken to staffing the Office of the Police and Crime Commissioner (OPCC).

## Office of the Police and Crime Commissioner (OPCC)

## Appendix 1

Subjective	Narrative	PCC	PCC		Comments
		2014/15 Budget	2015/16 Forecast	Movement	
		£'000	£'000	£'000	
030001	Police Staff Pay & Allowances	873.7	952.7	79.0	Increased capacity for new functions
081100	Training - Support Staff - External	0.6	0.6	0.0	
	Agency Staff/Seconded Officers		0.0	0.0	
092600	Advertising for Support Staff	4.0	4.0	0.0	
120000	Rents & Leases	36.0	28.0	-8.0	
230200	Support Staff Travel Expenses	3.1	6.1	3.0	
230300	Reorganisation Travel	1.8	1.8	0.0	
250000	Car Allowances Staff (staff mileage)	14.5	14.4	-0.1	
330000	Printing & Stationery - General	7.6	10.6	3.0	
330100	Postage & Carriage Costs	2.0	1.5	-0.5	
331000	Photocopier - Rentals	0.9	0.9	0.0	
331100	Photocopier Copy Charges	1.0	0.5	-0.5	
331300	Other Office Equipment	1.0	1.0	0.0	
332000	Books & Publications etc.	0.1	1.0	0.9	
332100	Printed Materials	5.0	3.0	-2.0	
342200	Casual Hire of Rooms	1.0	2.0	1.0	
343100	Consultants - Non-Operational	16.5	10.0	-6.5	
343200	Legal Fees - Civil	98.0	20.0	-78.0	Review of requirements for 2015/16
346000	External Audit Fees	45.0	65.0	20.0	Transfer from the Constabulary
346100	Internal Audit	46.0	46.0	0.0	
347100	Advertising - Non Recruitment	2.0	2.0	0.0	
351000	Computer Hardware - Purchase	1.5	1.5	0.0	
351300	Computer Software Purchase	0.2	0.2	0.0	
351600	Computer Consumables & Peripherals	3.0	1.9	-1.1	
356100	Telephone Rental	0.1	0.5	0.4	
360000	Support Staff Subsistence Expenses	1.5	2.0	0.5	
361000	Conference & Seminar Costs	4.0	5.0	1.0	
362100	Hospitality - Internal	0.1	2.1	2.0	
363100	Members Attendance Allowance	7.8	8.8	1.0	
363200	Members Travel Expenses	0.5	3.4	2.9	
365000	Custody Visitor-Expenses	3.5	3.5	0.0	
365200	Custody Visitor-Training & Conferences	2.0	2.1	0.1	
371100	Subscriptions Corporate	40.0	41.9	1.9	
<b>NRE</b>	<b>NET REVENUE EXPENDITURE</b>	<b>1,224.0</b>	<b>1,244.0</b>	<b>20.0</b>	