

Report to:	Police Authority	The Forum 5th Floor North
Agenda item:	8	74-80 Camden Street London NW1 0EG
Date:	26 May 2011	T: 020 7383 0259 F: 020 7383 2655
Subject:	Annual Review of the Authority's	E: general.enquiries @btpa.police.uk
	Committee Structure and Business	www.btpa.police.uk
	Cycle	
Sponsor:	Chief Executive	
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For:	Discussion and Decision	

# 1. Purpose of paper

1.1 This paper collates all the feedback received from Members, BTP and the Executive Team on how the structure and business cycle worked in 2010-11. Following a review of this feedback the paper recommends amendments for the 2011-12 business year.

# 2. Background

- 2.1 As Members will recall, the Authority conducted a review of its working arrangements in 2009-10. This resulted in a new Committee Structure and Business Cycle designed to bring decision making back to the centre, with narrow & clearly defined remits and shorter more focused agendas, to allow groups to focus on the detail of issues before making recommendations to the Authority. The less formal structure of the groups was also intended to stimulate discussion and debate, with all those present participating more openly.
- 2.2 A further objective of the new arrangements was to have a more proactive approach to evaluating and reviewing the requirements for the various standing committees and groups. Committees and groups were established with defined life spans and the understanding that on review unless material outcomes could be demonstrated they should be discontinued.
- 2.3 The new arrangements have now been in place for a year and in the spirit of the new approach, and to ensure the Authority is working in the most efficient and effective way, a review has been undertaken to formally gather feedback from all parties to consider any amendments required to the Business Cycle and Committee structure as they currently stand.

- 2.4 This paper collates all the feedback received for each committee/group following the format of the review by considering the following four areas:
  - Programming of Meetings
  - Terms of Reference
  - Inputs and Outputs
  - Examples of Best Practice
- 2.5 The Report also revisits the Tribal Governance Report which was carried out at the beginning of 2010 to ensure that arrangements remain in line with recommendations. It also takes account of the more recent review of the Authority's reporting framework by the National Audit Office (NAO) and the HMIC inspection of police authorities.
- 2.6 The report has been developed with input from BTP and was shared at the draft stage.

# 3. Compliance Review

## 3.1 **Tribal Governance Review – January 2010**

The Tribal report on BTPA recommended various changes to the governance structure that was in place at BTPA at the time of the report. These recommendations were largely addressed by the implementation of the revised Committee Structure and Business Cycle in May 2010.

The Tribal report also recommended various good practice matters, which included an annual review of the terms of reference and membership of the various committees/groups. As part of this review the Tribal report has been used as a reference document to ensure that any changes do not conflict with the advice given. A review of how the issues identified within the Tribal report have been resolved has been conducted and is shown in the below table:

Issue Identified	How Resolved	How resolution is affected by recommendations
Structure		
Terms of reference and membership of committee/groups not reviewed regularly	An annual review is now programmed into the Business Cycle	No change No suggestion to move away from annual review
Committee delegations were	A new committee structure was developed	No additional delegations

unclear	with clearly articulated terms of reference. Very few delegations have been given to Committees with the Authority retaining the majority of the decision- making power.	suggested. Some further clarification of terms of reference recommended
There were no defined terms of reference for the Authority	It was agreed that a terms of reference would not be developed for the Authority as it covers everything that is not delegated. However, a record of its key decisions is included in the Business Cycle.	No change
On some occasions the Authority and its committees took on too executive a role	The new committee/group structure with its clearly defined terms of reference aimed to prevent this	None of the recommendations are thought to take the Authority back to this position
There were too many meetings of too large a size, affecting strategic capability as this was administratively heavy with too many items on the agendas	The groups were designed to have more informal, open discussion. Also, to get in to the detail to identify the key issues and notify the Authority of these. The number of committees was reduced to alleviate the administration burden. Annual reviews of the number of committees and groups and their purpose are now in place.	The number of groups will have reduced by 1 with if the amalgamation of the Strategy and Charging Groups is approved. The Olympics Steering group was discontinued with the Full Authority having direct oversight and the Pensions Working Group was created to deal with the specific issues around pensions governance and investment.
The quorum was too small with 2 people being able to take a decision in some cases	The remaining committees were strengthened in terms of numbers and delegations from the Authority reduced.	No change

The Authority received little finance information	Detailed papers are available on the website with highlights from the Finance Group going to Full Authority.	No change			
Agendas and Reporting					
Papers were often late and not all sent in one bundle	Meeting dates were set in line with reporting deadlines and this has improved but remains tight for some meetings, in particular the May and July Finance meetings.	A further review of the dates of meetings against reporting periods should resolve this.			
Improvement was required around performance reporting with more metrics and dashboard reporting suggested	The Performance Review Group was established and has developed a performance dashboard for BTP and a Strategic dashboard for BTPA	No change			
Risk Management					
The Authority did not have sufficient oversight of risk	The quarterly report is reviewed in detail at the Audit Committee, as previously, but now also goes to quarterly Authority meetings for information.	No change			
The Authority risk register was not regularly reported to the Audit Committee	The Strategic and Operational Authority risk registers are now reviewed by BTPA SMT on a monthly basis and reported to the Audit Committee and Full Authority quarterly.	No change			

It can be seen from the table above that the recommendations in this report do not conflict with the recommendations form Tribal and in most cases further the implementation of the recommendations.

# 3.2 National Audit Office Assessment of Board Reporting Framework at BTPA – January 2011

A more recent report which was carried out six months into the new Business Cycle and Committee Structure was that conducted by the National Audit Office (NAO) and reported in January 2011. This report also considered the recommendations of the HMIC report on police authority inspections.

This report found that there had been a significant improvement in the committee structure with improved granularity, accuracy and presentation of information. However, it noted that there were still improvements to be made on the reporting of trend information, exception reporting and analysis of contextual information to give the story behind the figures. It was suggested that the Authority could more clearly define the data they require and the form this should take. This is something that both the Professional Standards Committee (PSC) and Performance Review Group (PRG) have been good at. The PSC developed a service level agreement some years ago with the Professional Standards Department (PSD) to clarify the data required for both parties. This best practice was identified from feedback obtained during the review.

The NAO assessment also noted that systems needed to be put in place to tackle the big issues for the Authority, such as the pension deficit which has been picked up by the new Pensions Working Group, and the Finance Group is working with BTP on the establishment and overtime figures.

A long standing issue for the Authority, which was identified by the NAO as part of their assessment, was that insufficient information on the impact of spending decisions was provided. This has been addressed by the Authority with new guidelines on business cases included in the revised Governance Code.

The value for money (vfm) issue that the Authority had identified was also noted by the NAO. The NAO suggested that there should be better linkage between performance and finance information to recognise the link between human inputs and results. It was noted that some work on this had started with the work on disruption data but more could be done.

The NAO recommended that more benchmarking work could be carried out. It noted that there was some benchmarking between BTP Areas but little against other forces. There has been general support for this approach, but with the caveat that external comparators need to be carefully chosen for meaningful results.

The assessment was positive on governance and accountability within the Authority, noting that there was a good range of experience within the membership and the recent overhaul of the governance arrangements. The only suggestion was that the shared view of the risk appetite across the membership should be clarified and shared with the Force.

# 4. High Level Feedback and Recommendations

Detailed feedback can be found at Appendix A. This section summarises the main points and lists the recommendations arising.

# 4.1 **Police Authority**

Feedback was largely positive with the only significant matters being to bring consistency to Group reporting with key issues highlighted to save Members' time in going through large amounts of information, and to cancel the second July meeting and deal with the quarter one finance and performance information out of committee.

The suggestion regarding the second July meeting arose as having two meetings in July is an administrative and diary burden. Also, owing to the reporting cycles the meeting has to take place at the end of the month which is usually the school holidays creating a potential quorum issue. It was also considered that if the Force was aware of any developing issue for quarter one they could update Members verbally in the early July meeting. Members would still be sent the papers and have an opportunity to ask questions via email but would not actually meet in person.

There remained some issues with late papers for varied reasons from both BTPA and BTP. Papers had always been sent in advance of the meeting but on occasion had been a few days later than the 7 days that the service level agreement states.

# Recommendations

- The late July meeting for quarter one data to be conducted offline.
- Consistency to be brought to group level reporting with key issues highlighted.
- The late papers issue to be addressed.

# 4.2 Audit Committee

This Committee had continued from the previous structure with an amended remit. Feedback was largely positive with a few actions to be considered.

## Recommendations

- The terms of reference to be reviewed against the DfT guidance to ensure that they remained fit for purpose.
- The dates to be reviewed when the whole government accounting timetable is released to ensure that they fit with this.
- The membership to be strengthened in terms of numbers.

## 4.3 **Professional Standards Committee**

The PSC received positive feedback. There had been an amendment to its terms of reference within the year to confer greater powers to the Committee in regards to chief officer complaints and the outcome of these. As part of the FHQ Review the remit of the Professional Standards Department (PSD) had been widened and the PSC recommended widening their terms of reference as a result.

### Recommendations

- The terms of reference to be amended as suggested in Appendix A section 3.2.
- The Committee to receive more written reports and fewer verbal updates in the future.

### 4.4 Strategy Group

It has been suggested that the Charging Group and Strategy Group be amalgamated. This would give the Strategy Group responsibility for the oversight of the development of the post 2013 charging mechanism and the work on London Governance which are currently remitted to the Charging Group. This has been built into a revised terms of reference which can be seen at Appendix A paragraph 4.2.

The process for the development of the Strategy changed considerably from previous years with much greater involvement from BTPA. This had initially resulted in a lack of clarity over the process generally and specific responsibilities but this was later clarified and a revised process for the coming year has been briefly described at Appendix A paragraph 4.1.

There have been some further amendments made to the terms of reference to reflect the wider role of the Group in understanding the internal and external challenges facing BTP when it comes to decision making.

## Recommendations

- Approve the outline of the new Strategy Group process
- Approve the revised terms of reference, including the amalgamation of the Charging and Strategy Groups.

### 4.5 **Policing Plan Group**

This Group was retained in the restructure and owing to its longevity issues arising have been dealt over time. The result being that there were no recommendations for change resulting from this review.

#### 4.6 **Finance Group**

The feedback on the Finance Group was very positive and it was noted that the outputs had been delivered on time and to a high standard. The only outstanding issue was that a couple of the meeting dates remained a problem with the reporting cycle and needed to be reviewed as these could cause papers to be late.

#### Recommendations

• The May and July Finance Group dates to be revised to better fit with the financial reporting cycles at BTP.

### 4.7 **Performance Review Group**

The quarterly cycle of the Group was considered to work well. The main points raised were that the membership of the Group required strengthening in terms of numbers and there were some small changes to the work plan to be made. The inputs and outputs had been delivered to a high standard but there had been some issues in receiving papers on tome from BTP.

#### Recommendations

- The membership to be strengthened in terms of numbers.
- The work plan be amended to remove the monitoring of grievances and include strategic plan monitoring.

### 4.8 **Chief Constable Appraisal Panel**

This panel had previously had a very narrow remit in regards to performance related pay for chief officers and appointments of chief officers. It is suggested that this remit be expanded to make it an Appointments and Remuneration Committee with a revised terms of reference that can be found at Appendix A paragraph 8.2. The rationale for this change is also explained in full in Appendix A paragraph 8.2.

### **Recommendations**

- The Panel be renamed as the Appointments and Remuneration Committee.
- The propose terms of reference be ratified.

## Appendix A: Detailed Feedback

## **1. Police Authority**

## **1.1. Programming of meetings**

There has been general agreement that the programming of the meetings and the time set aside is right. Although the need for an actual meeting for the quarter one finance and performance data was questioned, as this put two meetings in July creating an administrative and diary burden. Also, owing to the reporting cycles the meeting has to take place at the end of the month and, not withstanding that dates are published well in advance, there can be issues with member availability in late July as August is set aside for vacation time.

It was suggested that, as an alternative, the review of quarter one information could be conducted offline with Members sent the papers and any questions forwarded to the Executive team who would post answers on the Members Area of the website. The Finance and Performance Groups would still meet to review the data in detail, and as the data was period one only it was unlikely that there would be anything extraordinary to report. It was further noted that the Force could give a verbal update at the early July meeting if they were aware of something that was developing that the Authority should be aware of. Finally, the next Authority meeting is scheduled in mid-September so this does not create a significant time gap.

### **1.2.** Terms of Reference

The Authority does not have specific terms of reference as all decisions are made at the Full Authority unless specifically delegated to a Group or Committee and enshrined in its terms of reference. It was further noted that the key decisions of the Authority are recorded in the Business Cycle.

There has been no feedback to suggest that there are any changes required to this.

### **1.3.** Inputs and Outputs

The significant points from the feedback here were that:

- There was a request for more consistency in Group reporting and that all Groups highlight important issues in their reports to the Authority rather than submitting minutes only.
- There were still some issues with late papers from both sides which needed addressing.

## 1.4. Best Practice

Dashboard style reporting is being developed to allow the Authority to have a quick and easy overview of current performance in strategically important areas.

The use of Groups without decision making delegations to review the detail and make recommendations to the Full Authority has been considered to work well as this creates a more open climate for discussion.

### 2. Audit Committee

### 2.1. Programming of meetings

The feedback has been that the frequency, length and programming of meetings have been right for the Committee. It was noted that the Committee often has long agendas but in the 2.5 hours it has allocated it usually manages to work through these.

The feedback also took account of the move to whole Government accounting and it was noted that this could affect the Audit Committee meeting dates.

## 2.2. Terms of Reference

It has been suggested that DfT guidance should be reviewed to ensure that that the Committee is fulfilling all of its statutory duties. This will take place shortly.

It was noted that governance remained the key with assurance on financial controls and processes the major priority.

It had been suggested that the membership could be increased to ensure that the Committee remained effective in its duties when not all Members were able to attend.

### 2.3. Inputs and Outputs

The lateness of papers remained an issue from both sides. For example this had been demonstrated by the delay in sending out the L Area Governance and Gifts and Hospitality papers to the March meeting with them being sent only Friday before the Monday morning meeting and the Accounts to June.

It was considered that consistency was required in management responses and follow-up reports. These had sometimes been light and needed improving, but equally others had been excellent.

## 2.4. Best Practice

There had been some commendable projects which had emanated from matters identified at the Audit Committee, for example payroll and Business Continuity.

The risk assessment process was also considered to be very good.

## **3. Professional Standards Committee**

### **3.1. Programming of meetings**

There is general agreement that the programming of meetings on a quarterly basis has worked well. The dates of the meetings were developed in consultation with PSD to allow for the most up to date data to be produced for the meeting at the end of each quarter.

## **3.2.** Terms of Reference

The terms of reference were revised in 2010-11 to confer a greater role on the Committee in regards to the process for dealing with complaints against chief officers. This amendment was approved by Members out of committee and the terms of reference updated to reflect it.

Additionally, as part of the Force's Strategic Review the remit of the PSD has been widened with other departments being incorporated, these include:

- HR Legal Services Team
- Corporate Risk Team

At its meeting on 12 May the PSC recommended that the remit of the Committee be widened to take account of these additional areas and the suggested terms of reference reflecting this are below with revisions highlighted:

- Oversee the work of the Professional Standards Department and to make appropriate recommendations to the Chief Constable
- *Review progress of cases/complaints that are under investigation*
- Track trends in relation to public complaints, non complaint investigations, employment tribunals, grievances and investigations into civil claims and internal matters conducted by the Professional Standards Department (PSD) and make recommendations as appropriate
- Satisfy itself as to the operation of the complaints, discipline and grievance processes within the Force

- Investigate and deal with any allegations, report and complaints about the conduct of officers of ACPO rank in accordance with appropriate regulations and to consider all matters relating to discipline against ACPO rank officers, within police regulations and report to the Authority as appropriate. For the purpose of conducting these matters a subcommittee of a minimum of three members may be formed and will report to the Authority as appropriate.
- Monitor the mandatory requirement for referral of cases
- Monitor the output from the independent custody visiting scheme and escalate any issues as appropriate

# **3.3.** Inputs and Outputs

The quarterly report was updated in 2010-11 to ensure that it remained fit for purpose. This is the main input to the meeting and is always received on time. There has been a tendency for the Force to provide verbal updates on other matters that the Committee has requested information on and there has been a request from the Committee that more of these updates are provided in written form. This allows the Committee to consider matters ahead of the meeting and to seek any clarification having allowed the subject matter to absorb. Also, this provides a clear audit trail.

# 3.4. Best Practice

The PSC has a service level agreement with PSD regarding the quarterly report and its content. This has worked well giving clarity to both sides on what is expected and why.

# 4. Strategy Group

# 4.1. Programming of meetings

There was agreement between parties that the programming of meetings had been ad hoc throughout 2010-11 through force of circumstance, as the Group had moved away from the original work plan. The Terms of Reference for the Group have since been revisited to clarify Group's role meaning that meetings can be programmed appropriately for 2011-12.

It was further noted that many of the matters that came to the Strategy Group were of a serious nature and there had been concerns regarding whether the time allowed was always sufficient for the topics discussed. However, it was noted that the Strategy Group did not have any decision making delegations so all matters were reviewed further at the Full Authority meetings.

Suggested meetings for 2011-12:

Meeting 1: Early/Mid July	<ul> <li>Commission early work on MTFS from budget group</li> <li>Review Strategic Plan for refresh and agree on focus for September AGM</li> </ul>	
Meeting 2: Early October	<ul> <li>Review AGM feedback and feed into refresh of strategy</li> </ul>	
Meeting 3: Early December	<ul> <li>First draft of refreshed strategy reviewed</li> <li>Consultation documents approved</li> </ul>	
Meeting 4: Early March	<ul> <li>Draft Plan for recommendation to the Authority agreed</li> </ul>	

## 4.2. Terms of Reference

There has been general agreement that the terms of reference for the Group remain relevant, with the exclusion of the first bullet which referred to the initial Strategic Review, as this has been completed and evolved into the Futures Programme. An additional bullet has been drafted to cover the monitoring of the Futures Programme.

It was also identified that the terms of reference did not reflect the wider role of the Group in understanding the internal and external challenges facing BTP and factoring these into decision making.

It was further suggested that the Charging and Strategy Groups be amalgamated.

As such, revised terms of reference are suggested below (amendments highlighted):

### Purpose

The key role of the Strategy Group is to understand the internal and external strategic challenges facing BTPA and BTP and to keep refreshed a rolling 3 year strategy and Medium Term Financial Plan in response to these, whilst ensuring that stakeholders are consulted during the preparation stages.

#### Summary terms of reference

- To produce a draft Strategy and Medium Term Financial Plan for consideration by the Authority
- To understand the internal and external strategic challenges facing BTPA and BTP and consider these in the development of the Strategy and MTFP

- To ensure effective consultation with stakeholders in the preparation of the Strategy and MTFP
- To monitor progress against the Futures Programme
- To receive and review BTP value for money(vfm)/police objective analysis (POA) report
- To direct the development of charging arrangements to apply from the 1 April 2013 and make a recommendation to the Full Authority on the way forward
- To direct the development of appropriate governance and funding arrangements in relation to services provided by BTP to TfL and make a recommendation to the Full Authority on the way forward

#### Milestones

• March Authority meeting for sign off of refreshed Strategy

## Output

- Refreshed Strategic Plan
- Medium term financial plan
- POA Report
- Recommended Charging Arrangements for Post 1 April 2013
- Recommended governance and funding arrangements for the services provided by BTP to TfL

### 4.3. Inputs and Outputs

The Strategy was not developed for the September Authority Meeting as had initially been the intention, as a large scale strategic review was carried out first of which the Strategy was then became a product. The 2011-14 Strategy was presented to the Authority for final approval in March 2011.

The refreshed Strategy in 2011/12 and future years will be brought to the March Authority meeting for final sign off. This ensures that it is as up to date as possible for the new financial year and sufficient consultation and been conducted.

The monitoring of the Plan itself will be conducted by the Performance Review Group.

### 5. Policing Plan Group

### 5.1. Programming of meetings

There was more consultation with the industry stakeholders in the development of the Plan in 2010/11. This had meant that more meetings were required than there had been previously but the timeframe was still sufficient.

# 5.2. Terms of Reference

No changes were required. The Group had ensured it was aligned with the other groups' work on Strategy and budgeting.

## 5.3. Inputs and Outputs

Inputs and outputs had been delivered on time and to a high standard. It was noted that there were time critical pieces of work within the works stream particularly around consultation with stakeholders and this had been timed well.

## 5.4. Best Practice

This type of fixed term project group is considered to be best practice, as it has a clear remit and timeframe which allows it to focus and produce a good product for BTPA.

## 6. Finance Group

## 6.1. Programming of meetings

The frequency and length of meetings was considered to be right. However, it was noted by BTP that the meetings were on occasion too close to the period end causing difficulties in providing papers in time. This was a particular issue for May and July and these would be revised.

# 6.2. Terms of Reference

No changes required.

### 6.3. Inputs and Outputs

Outputs have been delivered on time and to a high standard. Some inputs have been delayed but this has largely been a result of the timing issue which is being addressed.

### 7. Performance Review Group

### 7.1. Programming of meetings

Feedback has been that the quarterly cycle works well and the length of meetings has been right.

### 7.2. Terms of Reference

It had been suggested that the membership could be increased to ensure that the Committee remained effective in its duties when not all Members were able to attend as it had a small membership.

It was also agreed that grievances should be removed from the PRG workplan, as these would now be monitored by the PSC, and Strategic Plan monitoring would be included in the Plan.

# 7.3. Inputs and Outputs

There had been some issues with late papers from BTP but work was ongoing to improve this. A performance dashboard had been developed to help address the recommendations from the governance reports and give an easily accessible overview of performance in priority areas.

## 7.4. Best Practice

The explicit development of the terms of reference, working style and work plan at the beginning of the year had helped to manage everyone's expectations and clarify what was expected of all Members.

## 8. Chief Constable Appraisal Panel

## 8.1. Programming of meetings

The panel has had a narrow focus and previously only met on an annual basis to discuss performance awards for chief officers, with ad hoc meetings for recruitment matters if required. However, in the beginning of 2011-12 the CCAP reviewed their remit as a consequence of the new Authority structure. Therefore, the frequency of meetings is likely to change in 2011-12 with a requirement to meet more frequently.

### 8.2. Terms of Reference

The current terms of reference are below:

This Panel is responsible for agreeing the objectives for the Chief Constable. It is also responsible for agreeing all bonuses for the chief officer group. The Panel will meet before/after the Authority meeting in early July.

This Panel will also oversee any chief officer recruitment process should it be required during the year.

Under the new committee structure it was noted that there was not clarity regarding where decisions in relation to staff and officers terms and conditions went. It was therefore suggested that the CCAP be expanded to become an Appointments and Remuneration Committee with new terms of reference to reflect this wider responsibility. Also, on review of the terms of reference other police authorities have developed for this type of Panel, it was further noted that the Authority did not currently have a formal mechanism for approving secondments and acting posts within the Strategic Command Team. Draft terms of reference for the new Appointments and Remuneration Committee can be seen below:

- To act on behalf of the Authority to make the arrangements for and appointment of chief officers and equivalent appointments, including the approval of the recruitment process and contracts of employment for chief officers
- To act on behalf of the Authority, working with the Chief Constable, to make chief officer temporary and acting appointments expected to last beyond [3 or 6 months]
- To act on behalf of the Authority, working with the Chief Constable, to agree chief officer secondments to and from the force expected to last beyond [3 or 6 months]
- To be responsible for determining the payment or otherwise, of performance related payments and other remuneration packages to the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and equivalents.
- To act on behalf of the Authority to make the arrangements for and appointment of the Chief Executive and Authority Finance Director
- To consider and approve the remuneration package for the Chief Executive and Authority Finance Director.
- To consider and approve packages on termination for employees of chief officer rank or equivalent in both BTP and BTPA. For the avoidance of doubt, this includes for example discretionary awards and payments, discretionary pension enhancements and ex gratia payments.
- To consider any relevant matters in respect of PNB, Police Advisory Board, and other national bodies in relation to police officer and police staff terms and conditions and recommend a way forward to the Authority
- To have due regard, in exercising the Panel's responsibilities, to equal opportunities and the requirements of equalities legislation.

# 8.3. Inputs and Outputs

These will change with the new remit of the Committee. However in 2010-11 feedback has been that the quality of inputs is good but they could be distributed in better time.

Outputs have been delayed owing to review of the process but this has now been addressed and should not occur again.