

Report to: Police Authority
Agenda item: 4
Date: 2 November 2011
Subject: Chief Executive Report
Sponsor: Chief Executive
For: Information

1. Purpose of Paper

- 1.1 The purpose of this report is to summarise the work of the Executive since the last Police Authority meeting to inform Members.

2. PSA and Charging Update

- 2.1 Supported by Weightmans, we met the DfT lawyers and the DfT sponsorship team to discuss the draft for the PSA to be used from 1 April 2013. A number of issues were raised by the DfT, but nothing of major concern, a revised draft will be submitted by Weightmans and a further meeting is scheduled for 21 November.
- 2.2 A series of presentations on the method of allocating costs from 1 April 2013, have taken place with the members of the Authority. A separate paper is presented on the Authority agenda on the feedback from those meetings and the proposed way forward.

3. Progress on Annual Accounts

- 3.1 The high level timetable for 2011/12 year end was presented to the Audit Committee on 20 September. The timetable has been

brought forward by four weeks in 2012 to accommodate accelerated and additional reporting to the DfT.

- 3.2 An interim visit will commence on 21 November, where the NAO will concentrate on transaction testing of the major systems, with emphasis on payroll, given the history and the relocation of payroll from Camden to the HR Business Centre in Birmingham. The NAO will also audit the charges for 2011/12 on that visit. An early set of skeleton accounts will be reviewed.
- 3.3 A report on the NAO findings and their assessment of the major risks for the year end accounts will be presented to the 6 December Audit Committee.
- 3.4 Work on the 6 monthly Management Assurance Return is being finalised and will be reviewed and submitted by the Accounting Officer before the DfT deadline of 11 November.

4. Pensions Update

- 4.1 The draft results for the Police Staff Pensions Scheme valuation were reviewed at the last meeting. A pensions sub group will review those assumptions further and discuss the future joint contribution rates.
- 4.2 Work is ongoing with the Trustee on de-risking the investment portfolio of the Police Officers Scheme and the first stage review has been agreed by the working group at RPMI with the recommendation that the Trustee should endorse the proposal at their next meeting at the end of October.
- 4.3 Work around the governance is complete and a letter on suggested changes will be sent to the Trustee, once we have feedback on the change in investment strategy.

5. Member Recruitment

5.1 The DfT advertised the Deputy Chair vacancy on 25 October with a closing date of 7 November. Interviews are expected to take place week commencing 28 November.

9. Contracts

9.1 The Chief Executive signed and sealed off the following contracts:

- BTPA Rent Review
- BTP Rent Review
- Agreement to Surrender and Deed of Surrender on form TR1 for Newcastle Kings House

10. Recommendations

Members are asked to note this report.

Quarter 2 2011-12 Strategic Dash

Assurance:







| | |
|-------|-----------------------|
| Green | Substantial Assurance |
| Amber | Reasonable Assurance |
| Red | Limited Assurance |




Direction of travel:

| | |
|---|---------------------|
| ↑ | Improving trend |
| ↔ | Stable trend |
| ↓ | Deteriorating trend |

| Operational Delivery | Current Situation | Status / Actual | | Trend |
|--|---|-----------------|----|-------|
| | | Q1 | Q2 | |
| Common & local targets performance (incl. sickness & response times) <small>(Performance Review)</small> | <p>Q2 National Policing Plan target missed:</p> <ul style="list-style-type: none"> Reduce recorded disruption related offences; missed by 673 offences (10.5%). <p>The extra target is due to data now being shown for the reduction of non-staff costs by at least 1.5 percentage points.</p> <p>30 of 48 local targets were being achieved. This is an increase from the 22 met at end of Q1. This is partly due to a change in the way that PSP progress is measured.</p> | 1 | 1 | ↑ |
| | | 3 | 10 | |
| | | 3 | | |
| | | 6 | | |

| Finance | Current Situation | Status / Actual | Trend |
|---|---|--|-------|
| Cashflow <small>(Finance)</small> | Q2: Cash balance: £27,757,861. | £27,758k | ↑ |
| Revenue budget (BTP/A) <small>(Finance)</small> | BTP to Q2: 0.1% overspend (£142k). Forecast outturn for 2011/12: 0.3% overspend (£776k) | 0.1% | ↓ |
| | LU to Q2: 0% overspend (£54k) Forecast outturn for 2011-12: 0% overspend (£251k). | 0% | ↓ |
| | BTPA actual to Q2: 18.8% underspend (£131.8k) | 18.8% | ↓ |
| Capital programme <small>(Finance)</small> | Capital outturn Forecast to Q2 was £11.2m. This was at the capital expenditure limit for the year. | At end of year limit | ↔ |
| Debtors recovery <small>(Finance)</small> | Outstanding total core PSA debtors at end of Q2: £16,426k | Aged debt - Q2 current: | 92.6% |
| | | Aged debt - Q2 +30 days: | 2.7% |
| | | Aged debt - Q2 +60 days: | 0.2% |
| | | Aged debt - Q2 +90 days: | 4.5% |
| ↑ | | | |
| Headcount versus establishment <small>(Finance)</small> | At Q2: 170.4 FTEs below the overall establishment of 4,648.5 (Police Officers: 48.6 FTEs below, Staff: 94.4 FTEs below, PCSO: 27.4 FTEs below) | 3.7% below FTE est. | ↓ |
| Police officer pay <small>(Finance)</small> | Q2: Police officer pay costs (excluding overtime) are forecast to be £461k underspent at the end of 2011-12. Police officer overtime is forecast £1,441k overspent. | Overtime: £1,441K overspend Pay: £461K underspend | ↓ |

| People and Culture | Current Situation | Status / Actual | | Trend |
|---|--|--|--|--------|
| Learning & Development (Performance Review) | Q2: Mandatory Training (Maintain OPT, First Aid, Track Safety training at 90%) Q2: Supervisor Training (Ensure training is commenced for 90% within 1 month of taking up supervisory duties) | 92% 68.8% |   | ↓ ↑ |
| Delivery of Equality & Human Rights Strategy (Performance Review) | Q2 Performance Review Group received the 6 monthly stop and search update, there were no proportionality issues. It was also noted, at the meeting, that plans have been developed by the force in response to the NPIA Equality Standards for the Police Service. | 15.9% female officers 6.9% BME officers |  | ↔ |
| Employee Turnover (Performance Review) | 12 months to September: • Police officer turnover: 5.9% • PCSO turnover: 13.7% • Police Staff turnover: 12.1% (Turnover for the year to the end of Q1 was 8.1%.) | 8.3% |  | ↔ |
| Complaints / Conduct (Professional Standards) | Q2: 178 complaint and conduct matter cases (124 complaint cases and 54 conduct matter). (Q1: 158 complaint and conduct matter cases) | 12.7% Increase |  | ↓ |
| Number of grievances (Professional Standards) | Performance year to Q2: 43 grievances (average: 7.2 grievances per month) | 43 |  | ↑ |
| Employee Satisfaction | Information to be added once available | | | |

| Organisational Development | Current Situation | Status / Actual | | Trend |
|---|--|--|---|-------|
| Risk management (BTP/A) (Audit) | Q2: The BTPA high risk entries ASR50 and ASR52, which remain Red, relate to risks of the post 2013/14 PSA and charging regime. ASR53, which remains Red, relates to the outcomes of the Comprehensive Spending Review and the McNulty review. The BTP high risk entry SR61 combines the previous high risk entries (S33 and SR57) into 1 strategic risk: 'Inability to Respond to a Terrorist Attack'. | <u>Strategic Risks</u> Q1 Q2 5 4 12 9 3 5 20 18 |  | ↑ |
| Audit & inspection outcomes (level of assurance / gradings given) (Audit) | Q2: • Compliance review of strategic financial management. | 0 Substantial Assurance 1 Reasonable Assurance 0 Limited Assurance |  | ↔ |
| Post-inspection improvement plans progress | There are no outstanding HMIC recommendations or areas for improvement (AFIs) at the end of Q2. AFIs are expected from the recent HMIC data quality review. | Q1 Q2 1 12 15 3 |  | ↑ |
| Strategic Plan / Futures Programme | Information to be added once available | | | |

| Other Issues | Current Situation | Previous Situation / Other Comments |
|--|-------------------|-------------------------------------|
| Other issues arising this quarter | | |