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# Pure Use of Resources

## **Gwent Police Authority**

We concluded that Gwent Police Authority has continued to develop its arrangements during the year and is performing well for Managing Finances, Governing the Business and Managing Resources.

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## Summary

1. This report presents the results of the 2008-09 'Police Use of Resources Evaluation' (PURE) at Gwent Police Authority (the Authority). We undertook this review between May 2009 and August 2009, as part of our responsibility to examine the economy, efficiency and effectiveness of the Authority's use of resources under section 17(2) (d) the Public Audit (Wales) Act 2004, and in accordance with the Auditor General's Code of Audit and Inspection Practice and Standing Guidance for Auditors.
2. The aim of our review is to provide authorities and forces with a review of their arrangements for managing and using their resources to deliver value for money and better and sustainable outcomes for local people.
3. The PURE assessment enables auditors to form judgements on the police authority and force arrangements to secure effective use of resources across the three themes of managing finances, governing the business and managing resources.
4. Each theme consists of a number of Key Lines of Enquiry (KLOEs) and areas of audit focus and evidence. In forming our assessment, we took into account the requirements of the methodology set out in the 'Use of resources framework – Overall approach' and KLOEs issued by the Audit Commission, as well as specific 'Use of resources detailed KLOE Guidance for 2009'.
5. This is the fourth year in which we have undertaken this review, but the approach for 2008-09 differed greatly from that applied in previous years. The focus of the assessment this year emphasised outcomes for citizens, stakeholders and communities, and was more demanding than that applied previously. In particular the new approach was:
  - broader and embraced wider resource issues such as workforce planning and the use of natural resources;
  - more focussed on value-for-money achievements, outputs and outcomes rather than on procedures and processes; and
  - more strategic and less detailed.
6. The Use of Resources assessment used the Audit Commission's four-point scale ranging from level 1 'failure to meet minimum requirements' to level 4 'performing strongly'. To achieve level 4, audited bodies must demonstrate excellent performance across the entire scope of the KLOEs. This must also have been supported by evidence that strong, innovative arrangements have led to excellent value-for-money outcomes throughout the year under review.

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7. The scores awarded from the work undertaken as part of this review are shown in Exhibit 1 below. The Authority has consistently performed well across the three themes achieving an overall score for 2008-09 of level 3 'exceeding minimum requirements – performing well'.

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**Exhibit 1: Police Use of Resources assessment**

The Authority performs well, achieving level 3

<b>Use of Resources Theme</b>	<b>2008-09 Assessment</b>
Managing finances	3
Governing the business	3
Managing resources	3
<b>Overall score</b>	<b>3</b>

*Source: Wales Audit Office*

### **Gwent Police Authority is performing well for managing finances but needs to consider the contribution of external stakeholders to community wide objectives**

8. The Authority and Force perform well in this area and achieved a score of 3 (exceeds minimum requirements – performs well).

### **The organisations plans their finances effectively to deliver strategic priorities and secure sound financial health**

9. The Force has developed a comprehensive Medium Term Financial Strategy, which is linked to key strategies, including Estates, IT, HR and Procurement.
10. Budgets and capital programmes are soundly based and designed to deliver strategic priorities and the 2011 Staying Ahead Review objectives. The Authority and Force have effective arrangements in place for monitoring performance against budgets and reporting this to chief officers and members. The Authority has an adequate reserves position and has not overspent on its budget for a number of years.
11. There is an effective 'gatekeeper' system for identifying business needs and opportunities and feeding these to Business Development Group and Business Tasking and Co-ordination Group meetings.
12. We identified that there is clear commitment to collaborative and partnership working. Our review revealed that the Authority has consulted with partners and stakeholders on a range of issues including the local policing plan and the single equality scheme. Public meetings are held at various levels to consider region wide and local community issues.
13. There are two areas where further improvement can be made:
  - The Authority is continuing to develop indicators such as satisfaction levels, service assessment scores, and financial performance indicators. The linkages of these indicators to spending levels, to demonstrate performance standards have not been compromised from achieving efficiencies and avoiding overspending, is an ongoing development area.
  - Greater involvement of external stakeholders in the financial planning process to deliver organisational and shared objectives. For example this might include swine flu pandemic planning, community safety partnerships, health sector partners etc, in determining and contributing to community wide resources for key police objectives.

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## **The organisations have a sound understanding of costs and performance and have achieved efficiencies in activities, but need to ensure results can be measured effectively**

14. The Authority identifies efficiencies particularly through the Staying Ahead review, and is on track to achieve its efficiencies plan in 2009-10. The Authority and Force also reported efficiency savings of £4.4 million in 2008-09 before reserve movements, exceeding its efficiency target of £1.5 million.
15. The Force has continued to implement the actions from the Staying Ahead Review and embed the culture of value for money at all levels of operation. The Staying Ahead Review has also provided more information than previously on this area for the Authority and Force.
16. Gwent Police incorporates whole life costing and other qualitative factors into its business cases for projects and has a collaborative approach to procurement.
17. Going forward the Authority and Force should more actively consider the impact on the local community and environment when making decisions. The emphasis here is on developing the consideration of environmental and sustainable development aspects as a clear and regular part of decision making when deploying resources.

## **The organisations' financial reporting is timely, reliable and meets the needs of internal users, stakeholders and local people**

18. The Authority reviewed its approach to the already well developed budgetary process and redesigned its 2009-10 precept documentation to make it more understandable to users. There is clear scrutiny and challenge from members of the Authority.
19. Financial progress and variances to revenue and capital budgets are identified and reported on a regular basis to the Audit and Resources Committee. Within the Force, budget holders are also able to view budget reports regularly online. Following the reorganisation of the Force on 1 April 2009 feedback from users of these reports should be obtained to ensure that their needs are continuing to be met.
20. The Authority has a good track record of meeting its statutory and non-statutory accounts reporting deadlines, and publishes its financial statements on its website. The working papers prepared in support of the 2008-09 financial statements were comprehensive and prepared to a high standard, with a smaller number of amendments identified during the accounts audit.
21. Going forward, there are two areas that need to be developed more clearly:
  - External reporting should include environmental and social information with an emphasis on the Authority and Force's own impact on the environment rather than how it reduces service users' impacts on the environment.
  - The Authority and Force should regularly review financial performance of significant partnerships, linking to outputs and ensuring action is taken on results with partners.

## **Gwent Police Authority performs well for governing the business but needs to review risk and performance management arrangements following the restructuring**

22. The Authority and Force perform well in this area and achieved a score of 3 (exceeds minimum requirements – performs well).

### **The organisations commission and procure services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money**

23. The Authority and Force have a procurement strategy, which sets out their aims to realise business benefits and efficiency gains. The annual procurement report presented to the Audit and Resources Committee on 15 October 2009 illustrates the value of money obtained from the procurement of quality services and supplies. The Force continues to identify and pursue opportunities for collaborative working.
24. The new Demand Management and Tasking Unit (DMTU), which provides a telephone investigation service backed up by a graded response service, was set up part way through the year. This new unit has involved considerable analysis of demand, redesign of workflows and roles and training of staff in new skills. It has already had a significant impact and now deals with 25 per cent of the Forces' volume crime activity, ensuring that front line officer time can be more efficiently targeted.
25. We identified two areas for further development:
- Across Wales there needs to be more clarity over the role of Local Service Boards, and their links to Community Safety Partnerships and police authorities. Whilst there are some community wide projects already happening in Gwent, such as the Frail Persons review and strategic assessment, there remains a dependence on the Assembly Government and the local services boards themselves to determine the appropriate level of police involvement. As part of the ongoing review of partnership working, the Authority and Force need to identify their desired level of engagement and actively pursue in dealing with local service boards.
  - The Authority and Force have demonstrated some examples of involving service users and the wider community in each stage of the commissioning cycle (assessing needs, establishing priorities, designing services, and reviewing performance), such as the Community cohesion team and the Listen programme. Following the restructuring of the Force on 1 April 2009, feedback needs to be obtained systematically from all groups in the community including partners, third sector, staff, residents and people who use services, to assist in making further improvements to services.

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## **The organisations produce relevant and reliable data and information to support decision making and manage performance**

26. The Force has robust arrangements for recording and monitoring crime. Incident data is monitored corporately and protocols are in place with for sharing appropriate data with partners. The Authority and Force base their approach to data quality on the latest Home Office Data Quality standards. Our previous reviews of data quality confirmed that there are good arrangements in place.
27. Going forward, there are two improvement areas that are already being considered by the Authority and Force:
  - The Policing Pledge is a key document and information showing how the pledge is being met should be available to the public on a regular basis. This is being progressed in 2009 by identifying existing performance indicators relevant to each part of the Pledge and publishing these on a regular basis.
  - The Authority and Force are in the process of identifying relevant focused financial and non-financial indicators that enable them to oversee financial performance against corporate priorities and to drive improvement. A number of proposed indicators have been discussed at the last Audit and Resources Committee.

## **The organisations promote and demonstrate the principles and values of good governance**

28. The Authority has a committee structure which makes clear the roles and responsibilities of individuals and committees. There are ethical standards policies, registers of interest and codes of conduct for members, officers and staff.
29. The Authority has developed a Partnership Register which will be reviewed every two years and identifies the key principles required for partnership working. It includes details of forms of governance, details for reviews and performance and public information provision. It also provides guidance to Authority Members on working in partnership and the areas of expertise they can provide to partnership working on behalf of the Authority.
30. The Authority has a locality-wide agreement governing its relations with voluntary and community organisations in place in Caerphilly, setting out roles and responsibilities for each partner and their contribution to delivering better outcomes for local people. Further consideration should be given to using this sort of arrangement in other parts of Gwent, where it is appropriate and workable.

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### **The organisations manages risks and maintains a sound system of internal control, but risk management arrangements need to be reviewed following the restructuring**

31. Throughout 2008-09 the Authority and Force maintained a joint risk register and risk awareness and management arrangements were further developed and embedded.
32. The Authority has an effective Audit Committee which provides appropriate challenge and scrutiny. It also has effective Internal Audit arrangements and in its Annual Report to the Audit and Resources Committee on 25 June 2009, Internal Audit concluded that a good level of internal control was being operated in the systems examined.
33. Following the significant restructuring on 1 April 2009, the Force now needs to ensure that risk management processes in the new structure are clear and operating effectively.

### **Gwent Police Authority has made progress in managing its resources but workforce planning and development remain key focus areas going forward**

34. The Authority and Force performed well in this area and achieved a score of 3 (exceeds minimum requirements – performs well).
35. The move to the new Force structure required a specific panel to be set up to manage the allocation process of officer and staff to new roles in the new structure. It also sought to ensure the best match of skills to roles, and identify any gaps in skills. Opportunities for further civilianisation of officer posts have also been identified.
36. In addition the Force conducted a detailed skills audit in the summer of 2008 in line with ACPO requirements as part of the preparations for the 2012 Summer Olympics and this skills audit is being regularly updated on a quarterly basis.
37. The Force also put in place a revised Performance Development Scheme from 1 August 2008. Uptake of the revised scheme has been substantial and has contributed to better workforce planning.
38. As noted above the Staying Ahead Review has led to a better matching of operational resources to demand. Further back office and service reviews are underway to close the projected £10 million funding gap, and achieve a planned and sustainable workforce mix for 2010-11. The exact numbers and shape of the workforce mix for 2010-11 is subject to decisions which have yet to be made, but financial considerations will be the prime driver of that process.





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