HUMBERSIDE POLICE
ANNUAL GOVERNANCE STATEMENT 2013/14

This Statement sets out the position for Humberside Police as at 30 June 2014 and incorporates information on 2013/14 and the Force's plans for the financial years 2014/15 – 2018/19.

1 SCOPE OF RESPONSIBILITY

Humberside Police is responsible for ensuring its business is conducted in accordance with the law and proper standards, including The Financial Management Code of Practice for the Police Service of England and Wales (2012). The Police Service has a statutory duty to secure value for money in the use of public funds and must ensure that public money is safeguarded and properly accounted for. The Force also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Humberside Police is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions which includes arrangements for the management of risk.

Humberside Police has a fully embedded governance and decision making model, the Force Business Management Model (FBM), through which key information on financial and other resource performance and risk is analysed, scrutinised and acted upon holistically. FBM is also the key decision making process in the force for considering and approval of business and operational investments This is a four step cyclical process, which is completed once in each calendar month. The final decision making step in FBM is the Force Leadership Team (FLT) which is comprised of all Chief Officers, Divisional Commanders and Branch Managers, together with staff association representatives. It is a more inclusive arrangement with positive benefits. There is an established Corporate Governance Group (CGG) bringing together key stakeholders including the Chief Constable, Police and Crime Commissioner and both Chief Financial Officers who hold section 151 status in a forum through which the business of governance is transacted. Both FLT and CGG are key parts of the governance arrangements for the organisation wide Building The Future change programme which is a fundamental redesign of the Force to deliver the best possible policing within a significantly reduced and reducing funding envelope.

2 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes for the direction and control of the Force and its activities through which it accounts to and engages with the community. It enables the Force to monitor the achievement of its strategic objectives geared to delivery of the Police and Crime Commissioner’s Police and Crime Plan within the context of actual and projected available resources and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous and focussed process designed to identify and prioritise the risks to the achievement of the Force’s and the PCC’s policies and aims and objectives, to evaluate the likelihood of those risks being realised and the impact they should be realised, and to manage them effectively, efficiently and economically.

From the start of the financial year and up to the date of production of the annual accounts for 2013/14 the newly appointed Chief Constable Justine Curran who was appointed in April 2013 has had responsibility for the Force. There have been no other changes in Chief officers or Chief Officer portfolios during this time.

3 THE GOVERNANCE FRAMEWORK

The Chief Constable is exclusively responsible for all operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the
The Police and Crime Commissioner holds the Chief Constable to account for the exercise of those functions and those of the persons under her direction and control. In turn the PCC is held to account by the Police and Crime Panel (PCP) which is comprised of local authority members representing the four Unitary Authorities in the former Humberside area and independent members.

From 1st April 2014 the Police Reform and Social Responsibility Act 2011 vested the Chief Constable the status of Corporation Sole and with that came the capacity at law to employ staff. The majority of staff previously within the employ of the former Police Authority and its successor PCC transferred to the employment of the Chief Constable under Schedule 15 of the 2011 Act. Those staff remaining with the PCC as employer is in posts within the PCC’s own office or comprising a small shared team of specialists in performance management and internal assurance work together with some finance staff.

This Annual Governance Statement provides a summary of the extent to which the Force meets the six principles of good governance as identified in the revised “Delivering Good Governance in Local Government: Guidance Note For Police (2012)”. These principles are:

- Focusing on the purpose of the PCC and the Force, and on outcomes for the community, and creating and implementing a vision for the local area.
- Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the PCC and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are the subject to effective scrutiny and managing risk.
- Developing the capacity and capability of the PCC and the Force to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

The Force has a robust performance framework which ensures that the Chief Constable is kept informed of achievements against the Policing Plan operational performance targets, the management of resources and financial performance. The Deputy Chief Constable leads a monthly Performance Conference which looks at both overall performance information and regularly targets thematically areas where performance is judged to be different from plan.

The Integrated Supply step of the Force IBM process receives and scrutinises key information on operational, resource and financial performance (in-year and medium term financial plan) as well as operational and business risk. This step of the process includes membership from the Office of the Police and Crime Commissioner (OPCC) and is chaired by the CFO to the Chief Constable, the Assistant Chief Officer (Support).

The Force and the PCC continued for all of the period covered by this statement to work closely together within the framework provided by the Police and Crime Plan to sustain performance improvements and to focus on improving public confidence and satisfaction as well as addressing the reducing crime agenda set by Central Government. The Force has continued to invest in the medium to long term having completed major infrastructure project at Clough Road in Hull and being well on the way to completing a specialist operational policing building and vehicle workshop (shared with the Humberside Fire and Rescue Service). The Force has similarly invested in a significant programme of joint IS/IT infrastructure including a shared Oracle Enterprise Resource Planning platform with South Yorkshire Police. On project completion this system will provide fully integrated human resources, finance and duties planning functionality across both forces.

The Chief Constable continues to work within the PCC’s approved corporate governance framework and is currently supporting a mid-term refresh of the Police and Crime Plan 2013-2017.

The focus on performance has been maintained throughout this process with the DCC’s Performance Conference being re-designated as a performance and tasking meeting and Divisional and Branch Challenge meetings have continued. The use of performance scorecards also continued within the Force.
Joint working between the Force and the PCC together with other partners on the shared ownership of our performance objectives has continued. In this way we have sought to ensure that Force plans and performance targets reflect the intelligence-based priorities of both LSP and CSP partners with whom collaboration intensified in preparation for the transition to PCCs and has been accelerated since the PCC came to office. The PCC continues to develop his arrangements for funding partnership activity and the Force and PCC are working together to ensure that this activity is co-ordinated and joined up.

At the Regional level Humberside Police has provided direct support in relation to the performance management of Protective Services and in connection with the Regional Collaboration Board.

Regional working in Yorkshire and the Humber has extended its focus to collaboration on back and middle office functions with procurement and scientific support projects now fully implemented. On a two force basis joint functions for Human Resources and information Services functions are now fully established and working. The hard endeavour on fleet maintenance with the Humberside Fire and Rescue Service has now been extended to all of fleet management and further enabling services collaborative opportunities are being explored across blue light services. Outside of emergency services collaborative ventures on vehicle maintenance and vehicle fuel supply have been delivered with the four unitary local authorities in the Humberside area.

3b **Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles**

The PCC approved Financial Regulations and Scheme of Delegation.

The Force reports to the established CCG and has access to the JIAC. The JIAC is made up of very experienced practitioners from a variety of operational backgrounds and who are very much engaged in discharging their obligations.

In addition to the Chief Constable, who fulfils the statutory role of the Chief Officer of Police for the area, the Force employs five other Chief Officers: one Deputy Chief Constable, two Assistant Chief Constables and two Assistant Chief Officers, one of whom fulfils the statutory role of the Chief Constable’s Chief Finance Officer with s151 powers.

The Chief Officers exercise their functions collectively through the medium of the Chief Officer Group (COG) and through the FLT, which includes senior managers from across the Force and whose remit includes performing the final step of the FBM process through which decisions about addressing issues facing the Force in the next 4 to 24 months are made.

Job descriptions, role requirements and person specifications exist for all roles within Humberside Police, starting with the Chief Constable and all of the Chief Officers. These are actively utilised to ensure that roles are understood by post holders and those working with them.

A system of Performance Development Review (PDR) is also in place for Chief Officers as it is for all posts within the Force. This ensures that the responsibilities of the posts are being fulfilled appropriately. The Chief Constable’s PDR was overseen by the PCC, while those of the other Chief Officers are completed by the Chief Constable. The PDR system has been significantly redeveloped for use from 1st April 2014.

The Chief Constable and her Chief Finance Officer meet once a month with the PCC, Deputy PCC, Chief Executive and PCC’s Chief Finance Officer as part of the CCG. Other Chief Officers may also attend this group as required. This forum is used to take key decisions that affect both organisations and to ensure that the leaderships of both organisations continue to work together.

The OPCC has representation at the third stage of the FBM process, Integrated Supply, to ensure that they are kept informed of the key issues facing the Force and are able to input to the decision making process. The Force and OPCC have worked together in the first quarter of 2014 to review and refresh the risk management processes in both organisations and reconstruct the risk registers in light of not least the extending and deepening financial challenges faced by the PCC and Force.
The OPCC are not represented on the FLT in order to ensure that the Chief Constable is able to maintain the operational independence of her decision making. Risk issues identified in the FBM process are reported to the JIAC that has received reports on risk management. The CFO to the PCC has full oversight of this through his Membership of the FBM Integrated Supply step.

Arrangements have been in place during the course of the financial year for senior officers to register interests. The registers of interest and the register of gifts and hospitality for Chief Officers are maintained independently and updated regularly. A record of all expenses incurred by Chief Officers is published on the Force website and updated quarterly. Information continues to be held on those offers of gifts and hospitality turned down as well as exceptionally those accepted. Latterly this information has also been used by the College of Policing to publish nationally to disclose gifts and hospitality records held by all forces in England and Wales.

The principles outlined in the CIPFA Statement on the role of Chief Financial Officer in Local Government have been complied with rigorously.

### 3c Promoting values for the PCC and demonstrating the values of good governance through upholding high standards of conduct and behaviour

All Police Officers, including the Chief Officers, are subject to the extant police conduct and performance regulations at any given time. At present this means the Police (Conduct) Regulations 2008, Police (Performance) Regulations 2008, Police (Complaints & Misconduct) (Amendment) Regulations 2008 and the relevant provisions of the Police (Amendment) Regulations 2008.

All Police Staff, including Police Staff Chief Officers, are subject to the Standards of Professional Behaviour published by the Police Staff Council on 11 September 2008 as Joint Circular No. 54.

The Professional Standards Branch records, resolves, and investigates complaints made by members of the public about police officers and police staff. It also investigates internal misconduct matters relating to police officers and coordinates investigation of on-duty criminal offences relating to police officers and police staff. The capabilities of the Branch include a proactive Anti Corruption Unit (ACU) led by the Detective Chief Inspector. The Branch publishes a newsletter “Guidance and Information” which provides advice and information on conduct matters. A Professional Standards Board is in place chaired by the Deputy Chief Constable. A member of the PCC’s staff now attends this forum and the OPCC also conduct dip sampling of complaints as part of the PCC’s overall assurance framework.

The Force and the PCC have worked hard to maintain a strong working relationship with the IPCC. Regular meetings are held with senior representatives of the IPCC to discuss current issues.

The Force in house Anti Fraud and Corruption Unit that receives and evaluates intelligence from both internal and external sources and takes a proactive approach to investigating, detecting and rooting out corruption, dishonesty and unethical behaviour by police officers and police staff.

An Anti Fraud and Corruption Strategy and the Fraud Response Plan have remained in place thought the year as part of both the original and revised financial regulations. These set out details of whistle blowing arrangements and are supported by a protocol in respect of the activities of the Force’s Anti Corruption Unit, which links its work with the responsibilities of both Chief Finance Officers and the appointed internal auditors.

### 3d Taking informed and transparent decisions which are the subject to effective scrutiny and managing risk

The Force makes key strategic decisions through the FBM process, including detailed decisions about the options for savings identified in previous savings reviews and as part of the new Building the Future (BfF) Programme.

The process involves four stages:

- The Commissioning Board chaired by the Chief Constable: identifies the key issues facing the Force in the next 4-24 months and acts as a filter for those issues that need to be dealt with in FBM.
- Demand: determines whether or not the identified issues constitute a priority for resource allocation. This process is facilitated by a detailed demand review undertaken by the Assessment and Review
Integrated Supply: is now comprised of the former Supply and Integrated Reconciliation steps. This step identifies options for meeting the resource requirements identified by Demand, a process informed by the monthly management accounts, considers the recommendations from Demand and makes recommendations to FLT for the best course of action.

The first half of each FLT meeting, chaired by the Chief Constable, now replaces the former Management Business Review step. FLT considers recommendations from Integrated Supply and makes decisions accordingly.

The requirement to make savings as a consequence initially of the Government’s 2010 Comprehensive Spending Review (CSR) resulted in the formation of the CSR 2015 Plan. This plan identified all areas of Force business and scheduled detailed analytical reviews to be undertaken of each in order to identify options for making the necessary savings. Decisions on the proposals derived from these reviews are made through the IBM process and implemented by the CSR 2015 Team, with a change manager appointed for each review. The change manager is responsible to the CSR 2015 Implementation Board, chaired by the Assistant Chief Officer (HR), for delivery of the identified savings. The minutes of all Implementation Board meetings are published on the Force Intranet. The CSR 2015 programme of savings delivery is now largely at an end. New savings activity is being driven by the BIF programme. In each financial year a technical mid-year budget review by the Finance team identifies any areas in which temporary or permanent budget savings can be made to help provide financial reserve to aid change or deliver recurrent budget reductions against the savings target derived through the Medium Term Financial Strategy.

The Chief Constable receives independent legal advice from the Force Solicitor, who is an employee of the Force and leads the Legal Services Team. From 1st April 2014 the Humberside Police Force Solicitor also assumed responsibility for legal services in South Yorkshire Police.

The CGG includes the Chief Constable and PCC and their officers with statutory responsibilities and meets once a month to discuss key business and decision making protocols. The Chief Constable and PCC also meet from time to time as required as do the Chief Constable and OPCC Chief Executive.

The Force now submits audit matters to the JIAC. Audit Committee Members also receive independent assessments from both internal and external auditors.

The Force is subject to a robust inspection scheme, comprising internal audit reviews, external audit reports, Her Majesty’s Inspectorate of Constabulary (HMIC) inspections and IPCC investigations. The results of all of these are published externally with the exception of internal audit reports that are published internally as appropriate. The HMIC programme of whole force and specific inspections has expanded significantly following a marked increase in resources in the 2014/15 Grant Settlement. This also announced further investment in the IPCC, that has also been more prominent in the Force over the last year utilising its new and expanding capacity.

### Developing the capacity and capability of the PCC and the Force to be effective

The Force has a Performance Development Review (PDR) process for all officers and staff, to ensure that opportunities to maximise performance are captured and training and development needs can be identified and met.

The Performance Conference, chaired by the Deputy Chief Constable, provide opportunities to identify the areas where the Force needs to improve capacity and capability, focusing on particular crime trends hot spots and areas in which performance needs to improve at both Force and Divisional level. From this, actions are set to deliver improvements and direct resources.

Complementing these Performance Conferences, Divisions and Branches hold their own regular performance challenge meetings.

The Learning and Development Unit, part of the shared service HR function with South Yorkshire Police, develops a training plan each year based on a training needs analysis. The plan is developed in consultation with Divisions and Branches to ensure that key development areas identified through PDRs and performance challenge meetings are addressed.
3f | Engaging with local people and other stakeholders to ensure robust public accountability

The Force undertakes a monthly public confidence and satisfaction survey, undertaken by an independent consultant who interviews a random selected sample of members of the public that have had contact with the Force. This survey provides the Force with valuable feedback about the experiences, perceptions and views of victims of crime and anti-social behaviour, which is invaluable in shaping the services that we provide.

The results of this survey, combined with those from the quarterly national Victim Satisfaction Survey, are widely disseminated across the organisation and all managers are actively encouraged to use the findings to shape the service they provide. The results are shared with the OPCC, as well as with other partners in order to inform shared partnership working.

The OPCC also shares the results of its own community engagement activity and surveys with the Force, so that all aspects of policing in Humberside can be fully informed of local priorities.

The Force holds regular public meetings in partnership with local authorities and other community safety agencies to enable the public to provide feedback on the work of the Force and their local priorities. Members of Neighbourhood Policing Teams also attend partners' meetings in their areas so that all parties can be kept informed of developments and that more opportunities for collaborative problem solving can be realised.

The above are complemented by communication and engagement protocols setting out how key stakeholders and local people are to be involved with the PCC and the Chief Constable to ensure they are part of the decision making, accountability and future direction setting. This includes a mixture of being part of the planning arrangements as well as becoming involved in issues of interest to local people as they emerge. The PCC and the Chief Constable are committed to developing the arrangements.

4 | FINANCIAL MANAGEMENT ARRANGEMENTS

The Assistant Chief Officer (Support) has certain statutory obligations in his capacity as Chief Finance Officer and the Chief Constable is responsible to the PCC for the effective and efficient management of the Force. Within the terms of the policy framework determined by the PCC, financial management within the Force was delegated as far as possible to the Chief Constable. The Force has a system of devolved financial management to local Divisional Commanders and Branch Managers which, since 2011/12, has been more limited as key strategic budgets including pay reverted to central control as an explicit response to the increasing challenges associated with successive CSR rounds.

The Assistant Chief Officer (Support) who is part of the Force's Chief Officer Group (COG) and performs the function of Chief Finance Officer for the Chief Constable, is responsible for all financial activities undertaken within the Force or contracted out under the supervision of the Force. Since the introduction of the PCC in November 2012, he has had s151 responsibilities for the Force.

The Deputy Chief Executive and Treasurer has retained his s151 responsibilities as the PCC's Chief Finance Officer with the Chief Executive being the head of paid service and continuing in the role of Monitoring Officer.

These responsibilities are reflected in the Corporate Governance Framework.

The Deputy Chief Executive and Treasurer and the Assistant Chief Officer (Support) are responsible for interpreting the financial regulations so as to ensure the efficient and effective operation of services.

5 | REVIEW OF EFFECTIVENESS

Humberside Police has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including its system of internal control. The review of the effectiveness is informed by the work of the senior officers within the Force and the OPCC who have the responsibility for the development and maintenance of the governance environment, the annual report of the Head of Audit and Risk Management together with comments made by external auditors and other review agencies and inspectorates.
The PCC
The PCC has overall responsibility for governance. The corporate governance framework sets out the details of the corporate governance arrangements.

The Chief Constable
As a result of the Police Reform and Social Responsibility Act 2011, the Chief Constable has responsibility for maintaining the corporate governance arrangements for the Force. These arrangements and the role of the Chief Constable are set out in the corporate governance framework.

Corporate Governance Group
The Corporate Governance Group includes the Chief Constable and PCC and their officers with statutory responsibilities and meets once a month to discuss key business decisions and decision making protocols are in place.

The Assistant Chief Officer (Support)
The ACO(S) is the Chief Constable's Chief Finance Officer and once again the Corporate Governance Framework takes account of his statutory responsibilities.

Senior Officers
Senior Officers provide assurances regarding their activities and responsibilities in implementing and maintaining the system of internal control operating within the Force and there is a separate assurance statement has been made by the Force Information Security Officer.

Joint Independent Audit Committee (JIAC)
The Joint Independent Audit Committee was appointed in 2012/13 and is made up of a Chair and four members. It held its first meeting in March 2013 and has held four meetings during 2013/14. In June 2014 the Committee received reports from the Head of Audit and Risk on audit activity carried out in 2012/13, the effectiveness of internal audit and his opinion on the internal control environment.

Internal Audit
In line with the Financial Management Code of Practice for the Police Service of England and Wales, the Force and the Office of the Police and Crime Commissioner for Humberside have agreed to a shared internal audit service. This service was provided by the West Yorkshire OPCC Audit Team during 2013/14. This arrangement was extended until 30 September 2014 and the WYPCC team has been awarded a two year contract following a tendering exercise in July 2014.

On 27 June 2014, the JIAC received the annual report from the Head of Audit and Risk. This indicated that the level of audit coverage during the year was considered sufficient to be able to offer an opinion on the overall adequacy of the organisation's control environment. This was based on his knowledge of the OPCC's and Force systems and procedures, the extent of work undertaken by Internal Audit and as a result of the responses to recommendations contained in Action Plans. Overall assessment was that Internal Audit could provide reasonable assurance that Humberside Police had adequate control and governance arrangements in place. It must be acknowledged however that this statement is given to provide reasonable and not absolute assurance of the effectiveness of the system of control.

Other review and assurance mechanisms
Whilst there is no longer a formal requirement for a statement of internal control, the arrangement for the production of a statement, which has become embedded, has continued and is available to support this Governance Statement. Assurance statements are completed by all senior managers who have the responsibility for the development and maintenance of the governance environment and from those who implement the system of internal control within the Force. The responses from this exercise are used in the identification of significant governance issues which must be declared within the AGS.

HMIC Inspections
The Force responded to issues raised in HMIC inspections carried out. Responsibility for responding to issues raised in HMIC inspections is for the Force.

The Force has a dedicated HMIC Liaison Officer included within the Chief Constable's Staff Office who assists with preparations for inspections, dissemination of inspection findings and reporting of action
plans back to HMIC. The DCC chairs a force wide HMIC Gold Group which co-ordinates pre and post inspection activity across the organisation. Where appropriate the results of inspections are now reported to the PCC and information has been made available to the JIAC.

External Auditors
KPMG are the appointed external auditors for the PCC and the Chief Constable.

All KPMG reports are be considered by the JIAC.

6 SIGNIFICANT GOVERNANCE ISSUES

In support of the delivery of the PCC’s and Force’s plans and Strategic Aims and Objectives a number of issues have been identified which merit mention. The issues identified last year, CSR Budget Reductions, and collaboration, remain areas of particular focus together with further challenges as a result of the wider impacts of Government policies in terms of the recognition that the age of austerity will continue and the potential loss of funding for partners of the police service and current initiatives.

CSR and further Budget Reductions
The PCC and the Force have planned for reductions in funding for some time and to the end of 2013/14 savings targets set in previous years have been moderately exceeded. It is becoming clearer however that as budgets are reduced it is progressively more difficult to make savings and where they are identified it is taking longer to achieve them. This position is exacerbated by Government announcements that the age of austerity will extend beyond the life of this Parliament and that policing will not be a “protected” service. Home Office funding remains uncertain beyond 2014/15 with announcements on the CSR beyond this still to be made. The Chancellor has made a number of speeches rehearsing the need for further significant reductions in welfare and departmental spending in the next Parliament and all main political parties have declared that they would not move away from the current Coalition Government’s deficit reduction targets. There is further uncertainty as the Home Office plans to review the grant distribution arrangements for policing in the near future and there is the impending prospect now of the General Election.

The Force has reached the tipping point as have many partners where it is no longer possible to reduce spending without impacting on frontline resources and services. It is because of this and the realisation that further significant savings can only be delivered through a fundamental change in the force operating model that the Building The Future Programme was initiated and for much of the period covered by this statement has been in design and build phase with implementation progressively from the Autumn of 2014.

Collaboration
Collaboration continues to be raised as a concern by managers. Whilst the arrangements to close the gap in Protective Services provision are embedded, the agenda has moved to the back office with 2-Force and 4 Force Yorkshire and the Humber regional collaborative arrangements now in place and becoming established. This adds to the complexity and it is essential that collaborative governance structures are integrated into the existing frameworks and those being developed by the PCC and Chief Constable. Wider collaboration activity has been delivered and is in planning however delivery within an expedited timescale given the front end loaded savings requirement driven by the CSR, remains a challenge.

Partnerships
Concerns have been expressed regarding the risks associated with the reduced levels of funding and resources available to partners and the impact that this will have on the resilience of existing partnership activity and on those projects that have been established to support crime reduction and to address community safety issues.

External Scrutiny
With the significant increase in resourcing of inspection agencies and their move to models which are much more demanding in the pre inspection stage in terms of data gathering, organisation and support, against the background of decreasing resources as the Force downsizes the diversion of activity away from delivering services to local communities is becoming a marked challenge.
Signed on behalf of the senior officers of the Humberside Police Force

Justine Curran

Chief Constable of Humberside Police

Philip Goatley

Chief Finance Officer of Humberside Police