



Agenda Item 09

JOINT AUDIT COMMITTEE
30th March 2017

HMIC Value for Money report

1. PURPOSE OF REPORT

- 1.1. This report summarises the discussion held by Joint Audit Committee members at the Value for Money session held on 3 March 2017.
- 1.2. Recommendations for further action were agreed at that session and these are presented below for endorsement by the Joint Audit Committee.

2. BACKGROUND

- 2.1. HMIC published Value for Money profiles for all forces on 17 November 2016. This document, for West Midlands Police, was introduced to the Joint Audit Committee at its meeting on 8 December 2016 when the Committee requested a further in depth session to look at the report in more detail.
- 2.2. The session on the Value for Money profile was held on 3 March 2017. The presentation focussed on those areas that stood out as obvious candidates for further investigation (based on the cost comparison) when compared to similar forces.
- 2.3. The group's discussion also focussed on the difficulties in interpreting the basis of the financial analysis in the absence of operational information, demand and policy decisions. It was felt that the context behind the analysis was absent.

3. VALUE FOR MONEY ANALYSIS

- 3.1. The published HMIC analysis concentrated on the cost per head of population and total costs. West Midlands Police were compared to their Most Similar Group (MSG). The analysis for the Value for Money session on 3 March was based on that data.
- 3.2. Papers from that meeting are attached as background documents to this report.
- 3.3. In order to deepen the understanding of the information, we will need to undertake further work to add operational/volume information, provide a context of policy decisions, understand the similar positions of our MSG and unpick the data to ensure we are comparing 'like with like' across the relevant forces. This is expected to be a major piece of work.

4. RECOMMENDATIONS

- 4.1. Members at the Value for Money session on 3 March 2017 recommended the following initial actions, which are presented to the Joint Audit Committee for your endorsement:
- 4.1.1. **Public Protection:** check what items were included in costs, whether (for West Midlands Police) it included witness protection, and, to establish what information was to hand regarding the numbers of cases and outcomes.
 - 4.1.2. **Intelligence:** establish if we are treating costs differently to other forces regarding the netting off of income or benefit from collaboration with, or services provided to others, check any changes to our coding structure which may impact on the results.
 - 4.1.3. **Investigation:** calculate whether the much higher number of officers deployed in WM accounts wholly or in part for the higher spend, look at our interpretation of 'major investigation' and the respective volumes and compare that with other forces.
 - 4.1.4. **Support:** check what Performance Review includes, and to calculate (or find the comparators) for support costs as a percentage of total spend.
 - 4.1.5. **Earned income:** check if there are budget lines where income is received but netted off, establish areas where policy decisions have been taken not to use a power to charge in contrast with decisions elsewhere, identify other areas (e.g. intellectual property rights or services to business) where opportunities to charge are being exploited in other forces that we might wish to consider. There may also be circumstances where we don't charge as there is an absence of a policy decision 'to charge'.
 - 4.1.6. **Overall:** share the figure for comparative total spend available per head.
- 4.2. The recommended actions above will be undertaken internally by the Accountancy team in West Midlands Police. Any further work on a major operational, policy and cost analysis is likely to require additional resource and a decision on such an exercise will be taken at a later stage.
- 4.3. A progress report will be brought to the Joint Audit Committee on 8 June 2017.

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BACKGROUND DOCUMENTS

Papers from the Value for Money session held on 3 March 2017:

- Slides
- Report
- Annex A