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This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

West Midlands Police and Crime Commissioner and West Midlands Chief Constable Value for Money Findings Report

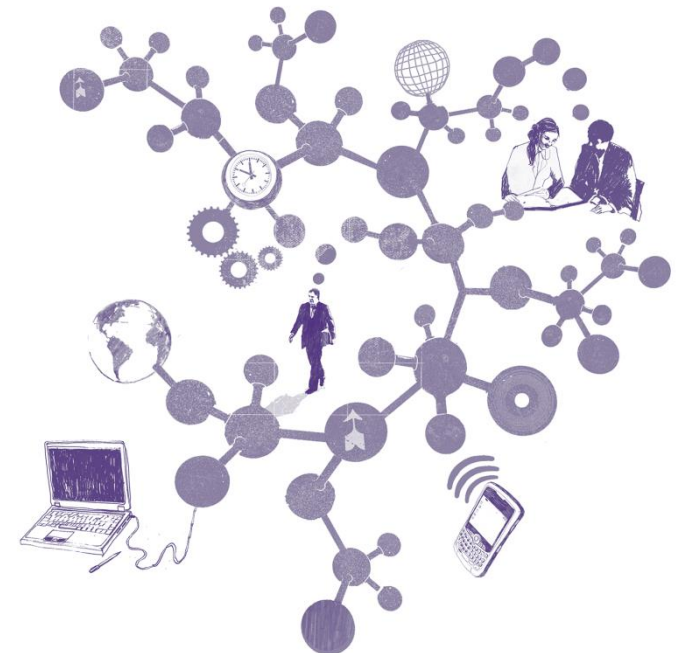
Year ended 31 March 2017

September 2017

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Executive Summary

Background

We are required by section 21 of the Local Audit and Accountability Act 2014 ('the Act') and the NAO Code of Audit Practice ('the Code') to satisfy ourselves that the Police and Crime Commissioner (PCC) and the Chief Constable for West Midlands Police (WMP) have each put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This is known as the Value for Money (VfM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at both the PCC and WMP. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the PCC and the Chief Constable have put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2015. AGN 03 identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Risk assessment

We carried out an initial risk assessment in early 2017, which we communicated to you in our Joint Audit Plan dated March 2017. We identified risks in respect of specific areas of proper arrangements using the guidance contained in AGN03.

We have continued our review of relevant documents and engagement with senior management up to the date of giving our report. Our risk assessment is a dynamic process and we have had regard to new information which emerged since we issued our Audit Plan.

We carry out work only in respect of the significant risks we identify from our initial and on-going risk assessment. Should our consideration of the significant risks determine that arrangements are not operating effectively, we will consider the impact of these gaps in arrangements on our VfM conclusion.

We have now completed our work in relation to the Value for Money conclusion.

Overall conclusion – Police and Crime Commissioner

Based on the work we performed to address the significant risks, we are satisfied that, in all significant respects, the PCC had proper arrangements in place to secure economy, efficiency and effectiveness in their use of resources.

Overall conclusion – WMP Chief Constable

Based on the work we performed to address the significant risks, we are satisfied that, in all significant respects, the Chief Constable had proper arrangements in place to secure economy, efficiency and effectiveness in their use of resources.

Executive Summary (continued)

Risk assessment

We previously carried out an initial risk assessment based on the NAO's guidance. In our initial risk assessment, we have considered :

- our cumulative knowledge of both the PCC and WMP, including work performed in previous years in respect of the VfM conclusions and the opinions on the financial statements;
- the findings of other inspectorates and review agencies, including Her Majesty's Inspectorate of Constabulary (HMIC);
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information;
- any other evidence which we consider necessary to conclude on your arrangements.

The five areas we initially reported that we would focus on to reach our VfM conclusion are set out opposite. The detail of the work we planned to address each area is set out overleaf. We set out findings later in this report in respect of these areas.

Our on-going risk assessment identified two further risks. These related to the arrangements leading up to the decision for investment in the two largest projects within the WMP2020 programme:

- Operating Policing Solution
- Data Driven Insight

The findings from this work will be reported separately, and summarised in this report as they form part of our overall conclusion.



Executive Summary (continued)

Value for Money Findings

Police and Crime Plan

The new Police and Crime Plan (PCP) covers the four years 2016 to 2020 and was published in November 2016. The headline messages include a new focus on young people, reducing re-offending, tackling mental ill-health and supporting the economy, whilst also continuing to deal with complex threats like cyber crime and terrorism and tackling traditionally 'hidden crimes' such as domestic abuse, hate crime and child sexual exploitation. It is important to ensure there is clarity of delivery of the PCP between the Force, the PCC and other partners, and ensuring engagement and communication is pitched at the right level to enable effective prioritisation of the PCP requirements. It is also important to ensure the cost of implementing the PCP is fully understood and has been factored into MTFS plans in detail. This is particularly important where reliance will be placed on potential 'spare capacity' to be freed up from transformation implementation from the WMP2020 programme to provide the resource for PCP initiatives.

The recently appointed 'Metro Mayor' adds a new dynamic to local arrangements. Responding to the new challenges and opportunities this presents will be key for both the PCC's Office and the Force in 2017/18 and beyond.

WMP2020

This past year has been a significant one in terms of the implementation of the first phase of the WMP2020 Transformation programme. This was a considerable challenge to the Force, requiring significant changes to ways of working. The approach taken to implementation, overall, led to a successful Go live in November 2016. WMP is also addressing the very real risk of "change fatigue" by treating this current year as a "business as usual" year, enabling the organisation to consolidate and build on the TS1 implementation. The approach to the next phase has also been modified so that it is seen as more of a "continuous improvement" approach over the next 2 years rather than a "big bang" year long TS2 phase

Increasing demand has put significant pressure on the new WMP Target Operating Model (TOM). The model has stood up well to both the changes in working practices and the additional demand but it is nearing full capacity. There is also a risk that the resources required to respond to the competing, concurrent challenges (e.g.. other large programmes) may lead to reduction in anticipated financial benefits for the WMP2020 programme.

WMP2020 (continued)

Access to such specialist resources is proving challenging. The recruitment market in this sphere is extremely competitive and Police restrictions on salary ranges are proving a barrier to recruiting to highly specialised roles such as "app" developers.

Portfolio management

Programme reporting has seen a number of improvements throughout the year with the portfolio dashboard, the "Plan on a page" and status reports introduced in the year which have been positive additions to the project management toolkit..

Benefits Realisation

Reports by both PwC and Internal Audit have recommended changes to the benefits realisation approach for WMP. It will be important to address these recommendations which focus on clearer articulation of benefits, clearer definition of benefits, targets, benefit measures and KPIs and better completion of Benefits Realisation Plans and the programme should formally respond to the PwC report and document how they are taking on board the recommended changes

We have noted the ongoing work of the WMP2020 programme team who have developed a revised benefit realisation plan (BRP) and reporting/tracking of benefits through governance. A draft revised BRP is currently being tested by project managers and finance to ensure that it delivers against the requirements of all key stakeholders.

Medium Term Financial Strategy

In general the MTFS is closely aligned with the WMP2020 programme and the Director of Commercial services maintains close links to the programme reflecting the financials in the MTFS. Reporting of the use of reserves has been a key focus over the "austerity years" and more regular and transparent quarterly reporting of the use of reserves would be helpful to demonstrate reserves are being used solely to drive transformational benefits, and to articulate the return on investment. It is also important to be clear on contingency plans to deal with savings shortfalls if WMP2020 benefits do not materialise as forecast. Given the potential for benefits to slip it is important that WMP has a plan in place and that this is clearly documented

Executive Summary (continued)

Value for Money Recommendations

In carrying out our work, we have made a number of observations which management may find helpful. These are detailed in this report. We have reported our findings by exception, to focus on actions that we think are most critical to success and risk mitigation:

- ensure there is parity of delivery of the PCP between the Force, the PCC and other partners, and as part of this develop a wider framework to deliver the PCP priorities across all partners
- having contingency plans in place to deal with the mounting resource pressures due to National programmes competing for the same Change resource.
- prioritising procurement of specialist resource, in particular to IT-related programmes such as the “app” development, as lack of such resources could put real pressure on benefits realisation going forward.
- ensuring that the recommendations of the PwC report and the Internal Audit reports are fully assessed and built into the approach to benefits realisation going forward and that a formal response to the PwC report is produced
- prioritising the development of the detailed training programme for SROs
- ensure there is parity on the true cost of PCP priorities, including where anticipated ‘spare capacity’ from transformation programmes is intended to ‘fund’ the delivery and implementation of PCP priorities. This will provide parity over risks to delivery, particularly where demand pressures compete for spare capacity.
- quarterly reporting should include a detailed analysis of the use of reserves. This should demonstrate clearly how planned and actual use of reserves is delivering (or will deliver) the anticipated transformational changes, and provide a holistic picture of the funding investment used to deliver transformational change, outside of ‘business as usual’.

Executive Summary (continued)

VfM Review of Operating Policing Solution (OpPolSol) for WMP

During the year, an additional significant risk arose in respect of the proposed investment decision for the OpPolSol which was being taken without full market competition. We reviewed the arrangements in place to support value for money in respect of this decision. Our summary of findings is below. A separate report is available and embedded into this document below.

Overall, our high level review of documentation supporting the procurement process for the WMP Operating Solution did not highlight any issues of significant concern pertinent to our Value for Money conclusion. In our view, WMP have, overall, taken a reasonable approach in arriving at the decision to follow the chosen procurement route up to the date of this report. We also recommended a number of actions WMP should undertake to mitigate the risk associated with this decision. We have reported our findings by exception, and summarise them here:

- Check that reservations over the Northgate solution that led to deselection in the original Market Assessment have been mitigated.
- A summary of SME feedback on the proposed system would improve the information for decision presented in the DBC.
- Check that risks to business continuity, user engagement and the implications of delays have been adequately mitigated.
- Ensure appropriate legal advice has been taken on the procurement route
- Obtain assurance that WMP's contract standing orders have been complied with in regard to the Accenture contract amendment.
- Ensure that the free days offered by Accenture are included in the contract.
- The benchmarking analysis to assess the value for money of the preferred option is limited, and would benefit from an independent analysis.
- Sign off from senior officers is needed to validate non-cashable savings.

- Check that financial risk is appropriately shared between the contracting parties (e.g. in the event of delay).
- A statement of feedback from Forces who had implemented the Northgate Solution would strengthen the detailed business case (DBC).
- The DBC should include a rationale for the use of the 10% and 20% risk provisions.

VfM Review of Data Driven Insight (DDI) for WMP

An additional risk also arose in respect of the proposed investment decision in the Data Driven Insight (DDI) project. This was also being proposed without full market competition. Our summary of findings is below. A separate report is available and embedded into this document below.

Overall, our high level review of documentation supporting the procurement process for the WMP DDI Solution did not highlight any issues of significant concern pertinent to our Value for Money conclusion. We concluded that whilst WMP have, overall, taken a reasonable approach in arriving at the decision to follow the chosen procurement route up to the date of this report, there are a number of actions WMP should undertake to mitigate the risk associated with this decision. In carrying out our work, we have made a number of observations which management may find helpful in taking the project forward. These are detailed in this report. We have reported our findings and proposed actions here by exception and summarise them here:

- Ensuring that the selection of this procurement route is compliant with the Force's Contract Standing Orders and delegated authority – both in terms of the Force's threshold for extending an existing contract without competition, and the authority to vary contracts up to a set level, without approval from the PCC.

Executive Summary (continued)

VfM Review of Data Driven Insight (DDI) for WMP...continued

- Strengthen the recording and documentation of the procurement process, specifically judgements and considerations supporting key decisions, to ensure a clear audit trail for all the decisions made via the relevant governance committee. This includes clearly documenting the rationale for the decision for Accenture to procure the solution via a contract variation, as well as the consideration of the risks and benefits of this proposal. It also includes documenting the judgements and considerations in the choice of procurement route, and the documentation of how the Force is satisfied their approach complies with Force contract standing orders.
- Ensuring appropriate legal advice has been taken on the procurement route
- Prioritising the acquisition of the in house data expert resources for the DDI project in sufficient time to allow for full handover from the Accenture resource and in order to establish a credible cadre of resource to maximise the potential of the DDI project post implementation in 2018.
- improving the clarity of the financial cost of the procurement in the DBC. This includes presenting the financial cost of the project in a simple table as the current business case presentation of the costs lacks clarity and could be difficult for those charged with governance to interpret.
- agreeing that the financial risk - for example, in regard to the cost of delay, or costs associated with unforeseen development issues - is appropriately shared between Accenture and WMP and that this is reflected in the contractual arrangements.

Value for money – initial risk assessment

We set out below the significant risks we identified as a result of our initial risk assessment. This was reported to the March Joint Audit Committee following discussion with the Police and Crime Commissioner, and Chief Constable.

Significant risk	Link to sub-criteria
<p>1. Police and Crime Plan</p> <p>The new Police and Crime Plan to cover the four years 2016 to 2020 was published in 2016/17 following a major consultation with the public and scores of meetings with partner agencies and third sector organisations, to make sure it reflects the ambitions of local people.</p> <p>The headline messages include a new focus on young people, reducing re-offending, tackling mental ill-health and supporting the economy, whilst also continuing to deal with complex threats like cyber crime and terrorism and tackling traditionally 'hidden crimes' such as domestic abuse, hate crime and child sexual exploitation. The recruitment of 200 specialist staff to deal with these particular fields will help to achieve that. Neighbourhood policing remains a top priority and the Commissioner's plan supported by the recruitment of 800 new police officers and 150 PCSOs.</p> <p>Key to the delivery of the plan will be how well aligned the force's delivery arrangements are to the requirements of the plan and the effectiveness of the processes and arrangements in place to monitor, measure and report progress within both WMPCC and the Force.</p>	<p>Informed decision making</p> <p>Sustainable resource deployment</p> <p>Working with partners and other third parties</p>
<p>2. WMP 2020</p> <p>The WMP 2020 Programme vision is to prevent crime, protect the public and to help those in need. From the way in which the public contact the force to how they respond, investigate and prevent re-offending, the programme is designed to radically overhaul all aspects of West Midlands policing with people and technology at its heart. Transition State 1 (TS1) occurred on 28 November 2016 and was the first step towards achieving the WMP 2020 vision, seeing a significant reorganisation of WMP core policing functions.</p> <p>WMPCC and the Force will evaluate progress and if necessary, adapt plans. The effectiveness of this evaluation and actions taken in response to this will be key to strengthening the Force's resilience and capability to prevent harm. The partnership with Accenture UK is a fundamental part of the delivery of this vision.</p>	<p>Informed decision making</p> <p>Sustainable resource deployment</p> <p>Working with partners and other third parties</p>
<p>3. Portfolio management arrangements</p> <p>WMP 2020 includes a rigorous approach to tracking and monitoring benefits. Benefits are both financial and non-financial. Any changes to the original business case are managed through a formal change control process.</p> <p>Our review last year identified that business cases were not always robust and therefore potential financial benefits had eroded substantially. We also identified that SROs did not have the training and support to undertake early review of expected benefits to inform their individual performance targets and an agreed delivery profile.</p> <p>Strengthening PMO arrangements is key to driving the benefits from WMP 2020 and maximising the value, both financial and non-financial.</p>	<p>Informed decision making</p> <p>Sustainable resource deployment</p>

Value for money – initial risk assessment (continued)

Significant risk	Link to sub-criteria
<p>4. Benefits realisation of major change programmes</p> <p>WMP 2020 and the Target Operating Model are predicated on major transformation programmes delivering radical changes to the way in which services are delivered. This includes a number of key projects, which are significant both in scale and financial terms.</p> <p>Delivery of financial benefits is as key as the operational transformation benefits. We will assess the extent to which benefits are being articulated and delivered against plans.</p>	<p>Informed decision making</p> <p>Sustainable resource deployment</p>
<p>5. Medium term financial strategy</p> <p>The current government has stated that future police funding is protected. Despite this, West Midlands Police still faces real-term reductions in its budgets and will be required to make further savings in future years. The total funding allocated for 2017/18 is 1.3% lower than in 2016/17 for West Midlands. The PCC has taken a decision to increase the precept by £5 in line with the Council Tax referendum limit principles together with the prudent use of reserves to balance the budget.</p> <p>It is forecast that £20.7 million of reserves will be needed to balance the revenue budget in 2017/18. Therefore, the Budget Reserve which is estimated to have a balance of £17 million will be used to balance the revenue budget in 2017/18 with any remaining unfunded balance being funded from the Budget Resilience Reserve which has a balance of £25.5 million.</p> <p>It is anticipated that the total resources for police and crime commissioners nationally, including government grant and council tax income will remain roughly at the 2015/16 levels throughout the period up until 2019/20. With insufficient reserves to continue to support the financial gap, the PCC and the Force need to ensure they have clarity about the income, costs and benefits associated with various ‘business as usual’ services as well as on-going major change programmes.</p> <p>The robustness of the medium term financial strategy and the assumptions made within this is a crucial part of delivering sustainable policing services which meet the needs of the local population. Identification of budget shortfalls and the associated actions to address these is fundamental.</p>	<p>Informed decision making</p> <p>Sustainable resource deployment</p>

Value for money – further risk assessment

As discussed on pages 6 and 7 of the Executive Summary, our on-going risk assessment identified two further risks.

Significant risk	Link to sub-criteria	Work proposed to address
<p>6. Operating Police Solutions (OpPolSol) investment decision</p> <p>The OpPolSol investment decision represents a significant investment of funds. As part of our work on value for money, we reviewed the arrangements in place within WMP regarding the evaluation leading up to the decision for this investment. This represents a significant decision for a material amount of money, and carries significant risk.</p> <p>The purpose of our review is to support us in considering whether WMP has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>	<p>Informed decision making</p> <p>Sustainable resource deployment</p>	<p>Overall objective</p> <p>To look at the arrangements in place within the Force regarding the evaluation leading up to the decision for the investment in the Operating Policing Solution.</p> <p>Proposed work</p> <ol style="list-style-type: none"> 1. Understand the background to the Operating Policing Solution decision 2. Review the supporting papers, key decisions etc through review of minutes 3. Review the financial information presented to those making the decision 4. Review any benchmarking information used to inform the decision (we will need to check this back to source documentation to ensure that the specifications for any similar ‘solutions’ are comparable and therefore the benchmarking is viable) 5. Review the options appraisal, evaluation and the documentation of the judgements informing the decision
<p>7. Data Driven Insights (DDI) investment decision</p> <p>The DDI investment decision represents a significant investment of funds. As part of our work on value for money, we reviewed the arrangements in place within WMP regarding the evaluation leading up to the decision for this investment. This represents a significant decision for a material amount of money, and carries significant risk.</p> <p>The purpose of our review is to support us in considering whether WMP has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources</p>	<p>Informed decision making</p> <p>Sustainable resource deployment</p>	<p>Overall objective</p> <p>To look at the arrangements in place within the Force regarding the evaluation leading up to the decision for the investment in the Data Driven Insights (DDI) project</p> <p>Proposed work</p> <ol style="list-style-type: none"> 1. Understand the background to the DDI decision 2. Review the supporting papers, key decisions etc through review of minutes 3. Review the financial information presented to those making the decision 4. Review any benchmarking information used to inform the decision (we will need to check this back to source documentation to ensure that the specifications for any similar ‘solutions’ are comparable and therefore the benchmarking is viable) 5. Review the options appraisal, evaluation and the documentation of the judgements informing the decision

Detailed findings

1. Police and Crime Plan

The new Police and Crime Plan (PCP)

The new PCP covers the four years 2016 to 2020 and was published in November 2016. It was developed in a collaborative way by the Police and Crime Commissioner (PCC) and the Chief Constable (CC). This took place over a number of weeks and included two-way challenge between the PCC and CC teams via the CC Board, a major consultation with the public and various meetings with partner agencies and third sector organisations. The PCC and CC both agree that the PCP reflects the ambitions of local people.

The headline messages include a new focus on young people, reducing re-offending, tackling mental ill-health and supporting the economy, whilst also continuing to deal with complex threats like cyber crime, terrorism and tackling traditionally 'hidden crimes' such as domestic abuse, hate crime and child sexual exploitation. The recruitment of 200 specialist staff to deal with these particular fields will help to achieve that. Neighbourhood policing remains a top priority of the Commissioner's plan which has been supported by the recruitment of 800 new police officers and over 200 Police Community Support Officers (PCSOs).

It is important to ensure there is agreement around the priorities included in the PCP. The Ambition Plan developed by the Force addresses the majority of PCP priorities, and is a welcome addition to the overarching framework. However, not all PCP priorities are captured. In addition, not all PCP priorities are for the Force to implement, and will require the PCC working with other partners. Such priorities may, necessarily, fall outside of the Ambition Plan

It is also critical to ensure engagement and communication is pitched at the right level to enable effective prioritisation of the PCP requirements. It will be helpful to clarify this formally so that both the PCC and the Force understand their respective responsibilities re the PCP. It may also be helpful for the PCC to develop a wider framework to deliver across the entirety of the PCP. It is important to note that our comments here are not in respect of any specific or identified weakness in the current arrangements or engagement, but are aimed at focusing on key elements which are essential for success in the delivery of the PCP over its 4 year lifespan.

Recommendation 1: ensure there is clarity of delivery of the PCP between the Force, the PCC and other partners, and as part of this develop a wider framework to deliver the PCP priorities across all partners

1. Police and Crime Plan (continued)

Arrangements in place within the Force for the implementation and delivery of the Police and Crime Plan

The schematic opposite illustrates the new governance arrangements put in place by the Deputy Chief Constable (DCC) to manage the WMP2020 programme. It is important that the WMP2020 programme supports the PCP. In order to achieve the objectives set out in the PCP the DCC has allocated responsibility to Chief Officers on a thematic basis. These themes are:

- Intervention/Prevention
- Resilience
- People Deal

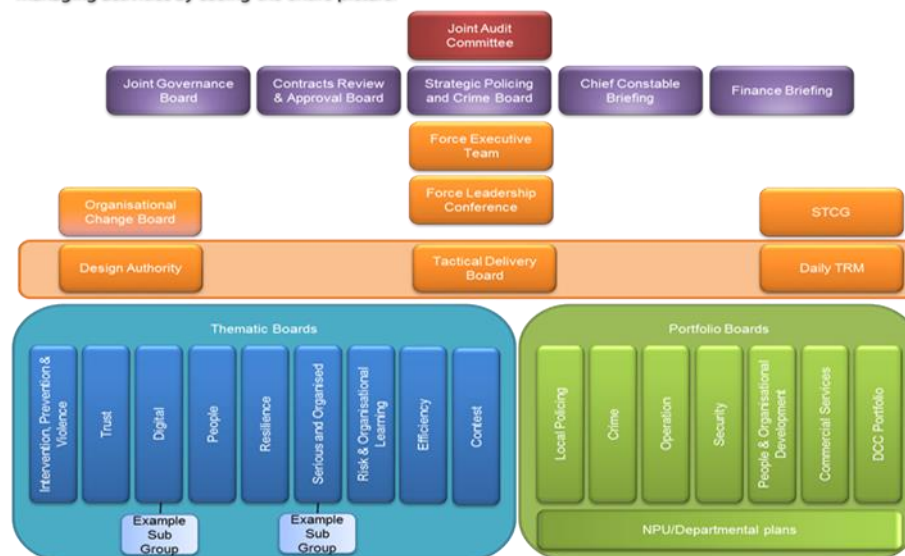
The Force has also developed its own “Ambition Plan”. The purpose of this Plan is articulate the Force’s own objectives and, in doing so, demonstrate how the Force is helping to deliver the PCP. There is an acceptance by the PCC that the Force needs to retain its agility to be able to respond to immediate pressures and accordingly will not necessarily be able to meet the whole spectrum of PCP objectives. The PCC was included in the development of the Ambition Plan at Officer and DCC level and so is fully sighted on how the Ambition Plan supports the PCP.

Performance reporting - monitoring the success of the PCP

The Police and Crime Commissioner (PCC) has weekly meetings with the Chief Constable. The Force management is also held to account via the Strategic Police and Crime Board. The Strategic Police and Crime Board takes place as a public forum once a month and the public are provided with monitoring information on a quantitative basis. There are 13 performance indicators reported on routinely. This allows a quantitative assessment of performance. The meeting also reports on progress against the entirety of the PCP.

WMP Governance Structure

Managing activities by seeing the entire picture.



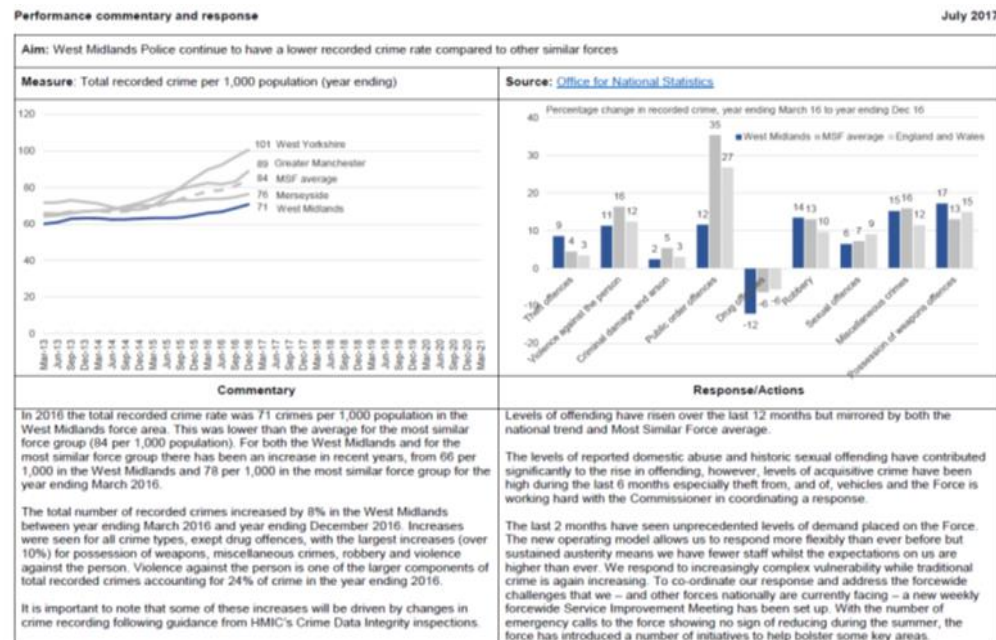
1. Police and Crime Plan (continued)

Performance reporting - monitoring the success of the PCP (continued)

The graphic opposite is an example of the information provided at the meeting. For each of the priorities in the PCP there is presented:

- The aim (eg. reduction in burglary)
- The measure being used to track this (eg. number of burglaries recorded)
- Commentary on the statistics provided in the form of bullet points
- Responses and actions being taken in the light of the statistics being presented
- Actions are followed up in subsequent meetings via specific agenda items

The performance report is well presented, covering each priority and including quantitative and qualitative analysis. The information includes a sensible level of commentary plus actions for the next period which are followed up in subsequent reports and meetings



1. Police and Crime Plan (continued)

Understanding of the costs of implementing the Police and Crime Plan and the effectiveness of the measures in place to identify and monitor progress and the achievement of delivery

The Force's Medium Term Financial Strategy (MTFS) includes all costs of delivering the Ambition Plan. The mapping of the Ambition Plan to the Police and Crime Plan (PCP) is intended to demonstrate that there is a clear link to the costs associated with delivery of the PCP. The Force's costs are monitored via the MTFS and the associated monthly budget monitoring that the Force carries out. A Financial model is maintained by the Force Director of Commercial Services and this is periodically updated with emerging changes to both cost and benefit profiles to report the latest financial position.

It is, however, important to ensure the cost of implementing the PCP is fully understood and has been factored into MTFS plans in detail. This is particularly important where reliance will be placed on potential 'spare capacity' to be freed up from transformation implementation from the WMP2020 programme to provide the resource for PCP initiatives.

Looking Ahead

The key to delivering the Ambition Plan going forward and, therefore, delivering against the Police and Crime Plan will be for the Force to realise their ambition to move their focus from response to prevention. This is difficult for a number of reasons, including the metrics measured which drive behaviours to focus on response, and also the lack of staffing capacity. The Force has identified these issues and is planning to amend the scorecard to change the focus to prevention and drive the associated behaviours. There is also an acceptance that staffing capacity has been an issue and due to the time taken to recruit and train officers, will continue to present challenges for the immediate future. Attrition has also been greater than anticipated with fewer officers serving 30 years before leaving and critical events nationally provide an agenda which draws resources away from local policing. The establishment of Force Support will be critical to maintaining response times and allowing local policing to remain focused on the prevention agenda. Whilst the Target Operating Model copes, it places a significant pressure on staff which has been recognised by senior officers. Balancing the limited staffing resources against fluctuations in demand and staffing capacity will be a key challenge for the Force but achieving this is key to maintaining a focus on prevention.

There are also changes within the wider context of the West Midlands. The recently appointed 'Metro Mayor' adds a new dynamic to local arrangements and provides a need for different ways of partnership working which would need to be considered once the Mayor and Combined Authority had confirmed their proposals and governance structures. Responding to the new challenges and opportunities this prevents will be key for both the PCC's Office and the Force in 2017/18 and beyond.

2. WMP 2020

Progress since summer 2016 and Implementation of Transition State 1 (TS1)

The WMP2020 Change Programme was set up in 2014 to deliver the WMP2020 vision of Policing in the West Midlands by 2020. A Blueprint for the new Operating Model was designed by West Midlands Police (WMP) alongside its innovation partner, Accenture (UK) Limited, and the first phase of the change programme was designed to take the Force a big step forward in achieving that end state vision. The WMP2020 programme went through a substantial and intense period of implementation activity in 2016. This saw the delivery of a significant number of the WMP2020 change projects including the delivery of the new WMP functional operating model known as Transition State 1 (TS1). TS1 was completed successfully in November 2016. A robust implementation approach, with thorough preparation, was taken. This included a ‘dry-run’ in September 2016 plus a ‘Business Readiness’ approach, developed with the help of AccentureUK, assessing progress at various milestones, both before and after the implementation date to ensure all aspects of the Target Operating Model were in place. The level of detail was critical due to the on-going and emergency response services provided by the Force. The post implementation support was focused on operational but also softer, people issues to ensure that staff were supported and therefore delivering their roles in the most efficient and effective way. Minor variations to arrangements were made if required to smooth any unforeseen inefficiencies in working arrangements.

Demand has been higher than expected and it is clear that this has provided significant challenge for the Force. However, the Target Operating Model (TOM) has coped although the view internally is that it is ‘bursting at the seams’ and staff have felt significant pressure in dealing with this additional demand. The pressure was compounded by the challenge of the significant change following TS1, and the impact of staff was reflected in the recent staff survey. This was no surprise to senior management, who had anticipated the impact of these challenge on staff.

This has led to a change in approach for the next phase of work. The Chief Constable has acknowledged that the significant amount of change which the Force has undergone in the past year has meant there is a real risk of ‘change fatigue’. This would be hugely detrimental to further progress if allowed to develop and accordingly the message has been communicated at senior level that this year is very much a ‘Business as usual’ year while the Force establishes the new TOM and consolidates its achievements to date. Though the increased demand has put real pressure on the TOM, management is sensitive to the risks and has endorsed a ‘continuous improvement’ approach going forward, one which introduces changes over a two year period rather than via another ‘Big Bang’ approach for TS2. The next phase, TS2, will therefore focus on 3 layers over the next two years:

1. Efficiency and Effectiveness savings – i.e. identifying and realising more savings from current programmes
2. Operational change programme
3. Projects around communications, data and mobility

The programme has been acknowledged by being shortlisted for an award as change project of the year at the Chartered Institute of Personnel & Development (CIPD) awards

2. WMP 2020 (continued)

Progress since summer 2016 – Force’s Evaluation of progress and any actions taken

Governance arrangements (see opposite) are adequate with the chain of Project to Programme to Change Board working effectively. The monthly Board pack is effective in supporting reviews of progress and actions required. However, resources are currently, and will continue to be stretched once the requirements for the national programmes become clearer. Already a Change Request (CR) for £4.5m has been submitted for the EMCSP (Airwave replacement) programme and other requirements are being drip fed into the Force.

Other programmes such as OpPoSol and Data Driven Insight (DDI) are also putting pressure on what is a limited resource. Recruitment to specialist roles such as the development of “apps” is proving very challenging given the police restrictions on pay and conditions rates. This represents a real risk to the delivery, in particular of the digital agenda.

Recommendation 2: With resource pressures mounting due to National programmes competing for the same Change resource, ensure there are contingency plans in place to deal with these pressures.

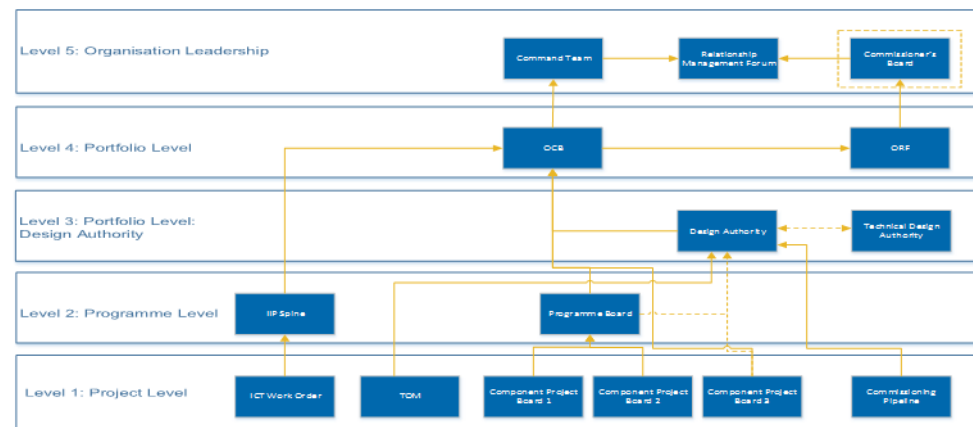
Recommendation 3: Specialist resource recruitment, in particular to IT-related programmes such as the “app” development, should be prioritised as lack of such resources could put real pressure on benefits realisation going forward.

Alignment of WMP2020 with Police & Crime Plan

The Force’s “Ambition Plan” has been developed to support the Force’s delivery challenges but also acts as a support to the PCC’s Police and Crime Plan as it largely demonstrates how the Force will deliver the elements of the plan relevant to the Force. There is an acknowledgement on both sides that this cannot be a complete alignment as there is always the need for the Force to be “agile” and responsive to immediate demand and pressures.

The CEO of the PCC attends the OCB (Change Board) so is regularly updated on overall progress and has visibility of all issues put before the OCB.

The alignment of the WMP2020 ambitions and the new Police and Crime Plan has been tested in the past year by the revised funding arrangements. Initially, PCSOs were going to be cut as part of achieving the financial benefits. However, the revised funding settlement enabled the retention of these officers. The fact that the Target Operating Model (TOM) had to be reworked following the revised funding arrangements and PCSOs had to be re-included in the TOM show that the WMP2020 is in tune with and able to change to reflect the changing priorities in the Police & Crime Plan and the external environment.



2. WMP 2020 (continued)

PwC review

In our previous year's report we recommended that the PCC and WMP commission an independent implementation review of TS1. PwC were engaged in 2017 to carry out a review of WMP2020 TS1 with particular focus on benefits realisation. The main findings were that:

- There is agreement that the Target Operating Model is the right one. The Target Operating Model (TOM) has been universally recognised as a positive change and step in the right direction to creating a police force that is capable of not only dealing with the changing profile of crimes but also addresses the prevent agenda.
- Mobile Devices are driving efficiencies and utilisation. The introduction of the mobile devices has created a more informed and efficient response capability that is allowing Force Response to operate more effectively and has laid the foundations for future transition states which focus on building platforms, changing behaviours and connecting systems.
- Access to intelligence packages and other apps are a critical success factor. 24/7 access to up to date intelligence packages and other applications through the mobile devices has been a positive introduction. Both Force Response and members of the Intelligence operational group commented that there is now a greater level of timely, quality and consistency of intelligence products produced post TS1.
- Cross skilled resource. Force Contact resources have been cross skilled to deal with both 999 and 111 calls creating a more resilient and capable workforce

Proposed areas for improvement were:

- Definition of benefits, targets, benefit measures and KPIs is poor. The benefits that have been documented and agreed within the programme documentation are not sufficiently detailed and do not include supporting targets, baseline measures, benefit measures or KPIs making it challenging to interpret and subsequently measure them.
- Benefit realisation plans have not been completed fully for all operational areas. In reviewing the programme documentation, we found the maturity and quality of the benefit realisation plans to be relatively low. Clear strategies and plans are not in place to actively monitor and evaluate the achievement of agreed benefits.
- Benefits have not been articulated/are missing. In some cases, operational areas within scope of TS1 had not articulated benefits they aim to achieve or deliver.
- No common understanding of the expected strategic outcomes of the programme. In interviewing the various operational areas, it became clear that there was not a clear understanding of the strategic outcomes and benefits expected in their operational area.
- Performance Outcomes not under enough scrutiny. A strategy and plan to periodically review the progress of achieving targeted TS1 performance outcomes and benefits is not in place.

2. WMP 2020 (continued)

Internal Audit Reports

Internal Audit have carried out an audit of one of the WMP2020, Body Worn Videos during 2016-17. The main findings were that:

- The Benefits Realisation (BR) plan should identify the actual value of benefits achieved each month. However, the BR plan that was provided dated 17 February 2017 includes figures for the non-cashable benefits, (Officer time saved on No Guilty Plea (NGP) case build and court attendance) that currently cannot be measured due to officers not being able to mark the cases where BW cameras were used on the ICIS system. Estimated value of benefits that were outlined in the original PID have been included as actuals on the BR plan. A change request has been submitted to the system providers through IT & Digital and the Project Manager is awaiting confirmation of costs and whether the system change is possible. There is no back up plan should this not be cost-effective or practical, however, the Benefits Manager has identified and progressed this matter.
- Although proposed benefits were identified at project initiation and a benefits map was adopted, there is little evidence of assessments done at these early stages to identify whether the required data was readily available within WMP systems and more importantly, how easily the data can be extracted to measure the benefits and any associated costs with extracting the data.
- In a separate audit of WMP 2020 Project Management, it was identified that Project Managers are not fully aware of the completion of the BR plan and Internal Audit has referred this to the Project Management Office.

Recommendation 4: Ensure that the recommendations of the PwC report and the Internal Audit reports are fully assessed and built into the approach to benefits realisation going forward. Ensure a formal response to the PwC report is produced.

3. Portfolio Management Arrangements

Progress since Summer 2016

Portfolio management

The portfolio management summary (below) has been a positive development over the past 12 months with each programme/project summarised RAG-rated against 7 areas:

- Schedule
- Cost
- Benefit
- People/Change impact
- Scope
- Risk
- Issues

Project	Trend of Overall Rag	Overall RAG	Sch.	Cost	Ben.	Ppl/ Chg.	Scope	Risk	Issues
Programme 1 Executive – ACC Larmour									
Digital Experience for Citizens	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
IOM	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Data Driven Insight Stage 2 (DDI)	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Programme 2 Executive – ACC Cann									
Force Contact	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Command and Control	↑	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Programme 3 & 4 Executive - T/ACC Murray									
Redesigning Investigations	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Intelligence Review (realignment)	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Programme 5 (NGES) Executive – Neil Chamberlain									
Core Capabilities		Project paused until Jun 17							
Oracle Fusion and CX	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Duty Management System	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Estates Rationalisation	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Detained Property	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Legal Case Management System	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Enabling IT Systems	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
GMT Planet Replacement	↑	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
NUMS	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
NGES POD Executive – Ali Layne-Smith									
People Organisation Development	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Large Standalone Projects									
Driver Behaviour	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
NWOW- Infrastructure	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
NWOW – CBR	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
NWOW IT Tools	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Mobility	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Neighbourhood Justice (PIF)	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
Operational Policing Solution	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
ESMCP ICCS Upgrade	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
ESMCP Coverage	New	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber
MoJ Tagging	↔	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Amber

Projects in closure	Body Worn Cameras	Digital Interview Recording (DIR)	Modernising Custody	People & Leadership
Holmes	Information Security Accreditation	CAID	Redesigning Response	
Mission Support Pilot	Estates – Walsall	Risk Framework	NGLP	
Active Citizens	Firearms Uplift – Phase 1			

Portfolio Summary

Overall RAG Adverse Trend Narrative:

There are no projects showing an adverse trend on the overall RAG.

Portfolio Focus Areas:

Digital Experience for Citizens (DEC)	Portfolio level overview – Schedule is AMBER due to UAT testing delays and slow defect fix rate. IIP and IT&D have recruited additional developers to reduce the time to resolve all defects. Testing approach has been streamlined to focus on defects. This approach means that there are associated RISKS which is why the risks are showing RED. UK Cloud is also behind SCHEDULE and there are RISKS around migration of code.
Oracle Fusion and CX	Portfolio level overview – Schedule shows a positive change to AMBER. CX now gone live. There is agreement across stakeholders of what will be achieved in July delivery and confidence through the SIT testing to underpin the go live date. This has decreased the risks across cost and benefits. Business readiness concerns have been raised and are being addressed with Training/comms rollout identified as key areas of focus. Improvement direction of travel for risks but key risks/issues on critical path will require close attention so remain flagged as red.
Mobility	Portfolio level overview – No formal signed off app roadmap still. In prioritization and finalisation phase. Issues are now RED due to the rollout having to be paused due to technical issue with Vodafone. Ongoing for 6 weeks. Initial fault fixed, but has raised new issues.
ESMCP Infrastructure	Portfolio level overview – The overall project status is AMBER and the project SRO has advised further time should be taken to investigate technical challenges which have arisen around WMP's future network design. Therefore Schedule has shifted to RED TO allow further testing of firewalls/multicast before approval of the Capita Technical Specification. Benefits has changed from GREEN to AMBER as schedule impact may see a small benefits reduction. Risks remain RED due to exposure of current open risks around the Capita Technical Specification. Cost remains AMBER due to potential cost implications associated with the outcome of Network testing.
Op Pol Sol	Portfolio level overview – Option 3 (Northgate solution) approved as a direction of travel by the executive team. Recommendation and formal sign off approved by OPCC at the beginning of May 17. Current commencement of next phase Sept 17.

Items to note:

PTF	Potential PTF outcome delay until post election – portfolio monitoring impact on Op Pol Sol linked to dependency with DDI around back record conversion.
Information Management	The organisation are facing a peak in activity in order to meet accreditation deadlines due June 17. Due to the pace of delivery across the portfolio, components of the 2020 portfolio (e.g. DEC IPR) are being impacted in a need to resolve this activity backlog. The portfolio have carried out an impact assessment of projects effected by non-renewal of accreditation, and working with IT&D to ensure that Information Security are engaged throughout the development and delivery of technical components.

3. Portfolio Management Arrangements (continued)

Progress since Summer 2016 (continued)

Portfolio management (continued)

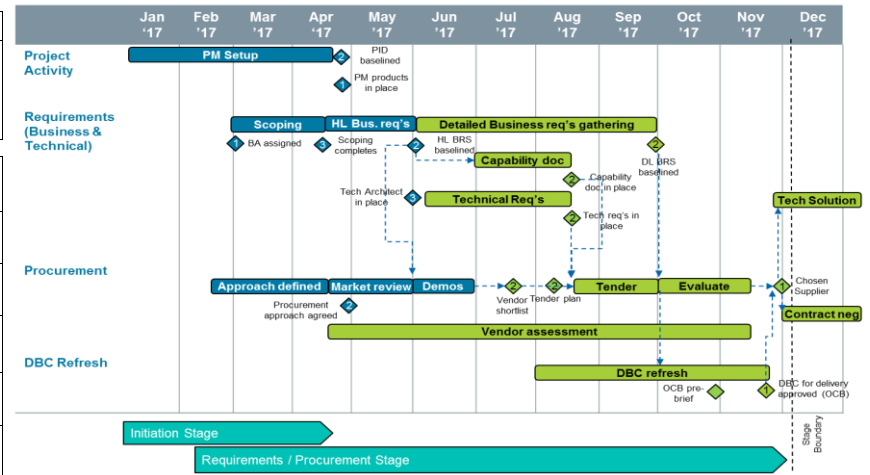
Highlight reports (see below left for an example) have also been developed to support the Portfolio summary and reflect audit recommendations from 2015/16 to give a prior month v current month view for each of the 7 areas listed above. A “Plan on a Page” view (see below right) has also been developed during the past year and this aids the project review process

Status Report

Project Name	Redesigning Investigations	Programme Name	Standalone	Period Start	13/06/2017
Project Manager	Claire Mantle	Programme Manager	Dave Standley	Period End	10/07/2017

	Previous Month	Current Month	Project Summary based on milestones (not a list of achievements)	Items for Attention
Overall RAG Status	A	G	The project went live on 3 rd July and has delivered on time and within cost and quality expectations. The final benefit realisation will be confirmed w/c 17 th July in a meeting with Steve Prentice from HR. There are some snagging issues since go-live that are being resolved (mainly IT and HR queries). Closure report should be complete by end of July.	
Project Area	Previous RAG	Current RAG	Status of areas (include any RAG changes and a succinct rationale for these)	Escalation Items
Schedule	G	G	The project went live on 3 rd July as planned.	None
Cost	A	G	This RAG status has changed as the cost of the office refts and IT overtime means that the budget is likely to be spent in full but will not go beyond this.	None
Business Change	A	A	No change in status. Due to the wholesale changes affecting staff we have kept this as amber as we need to be aware of how staff adapt to new ways of working which requires a longer-term cultural shift. A mentimeter survey will be done w/c 10 th July to assess how staff have adapted to the new ways of working.	None
Scope	G	G	No change in status.	None
Benefits	A	A	No change in status. The project has achieved its projected benefits but a meeting w/c 17 th July with HR will confirm final figures. This may also need some costings work done by Accountancy.	None

Plan on a Page – Command & Control Replacement (1/3)



3. Portfolio Management Arrangements (continued)

Progress since Summer 2016 (continued)

SROs Training

An area where the programme has acknowledged a bit of “pain” is SROs and their performance. SROs training had taken place but there has been feedback that perhaps they were not supported as well as they could have been. Following a “Lessons Learned” exercise a modular approach to training is being considered and a new SROs training approach is being developed which will adopt this modular approach as well as planning more mentoring/coaching interventions to ensure SROs feel supported. This will be especially useful given the likely change in SRO personnel for the next phase of work. This work is very much in its early stages but given the critical nature of the SRO role in effectively managing projects, development of an effective training programme should be prioritised.

Recommendation 5: The WMP 2020 programme should prioritise the development of the detailed training programme for SROs

Global Costs and Benefits

Costs and benefits for each project in the WMP portfolio are monitored on a monthly basis via the highlight reporting process. This RAG rates the costs and benefits profile and highlights any changes. Any changes to costs and benefits are fed through regularly to the Director of Commercial Services (Neil Chamberlain), who maintains a running log of these changes so that at the point of developing the Medium Term Financial Strategy (MTFS), he has the latest position available. Benefits realisation plans are also produced for each project and detail the costs and benefits of each project. They are summarised as part of an annual benefits review carried out by the WMP programme team.

Dependencies from the current Target Operating Model to the portfolio of projects

In a portfolio of programmes and projects as wide as WMP2020, it is important to maintain an understanding of the links and dependencies of the various programmes. These are invariably critical around those projects with an IT impact. The programme has developed a Dependency Log for this purpose and our review of this process has found this is adequate. As the programme widens going forward and further projects come on stream it is critical that this Dependency management process is kept at the forefront of the programme management of WMP2020.

3. Portfolio Management Arrangements (continued)

Progress since Summer 2016 (continued)

Assess whether clear achievable benefits have been outlined in new business cases (and have those responsible taken ownership of this)?

The last 12 months has seen a focus on delivery with New Ways of Working (NWoW), TS1 and New Generation Enabling Services (NGES) being the largest notable projects. There has been a refresh of the Programme of Work which has resulted in a series of new business cases which will be coming through over the next few months. In terms of significant business cases since the last audit was completed the ones to note are Op Pol Sol, DDI and the emergency services mobile communications programme (ESMCP).

Op Pol Sol and DDI were presented to OCB for final approval in principle in August they are now with the PCC for formal approval. Given the risk associated with these significant investment decisions and the procurement route chosen, we have reviewed the arrangements for these two projects and the summary of findings from each has been included within this report as additional risks 6 and 7. Due to the size and complexity there has been a staged approach to the development and approval of these detailed business cases throughout the past 12 months. The benefits have been reviewed at every stage of the process and formed a fundamental part of the decision process for progressing to the next stage.

The PMO are reviewing the commissioning documentation in light of recent internal and external audits in conjunction with the Benefits Manager (Sarah Buckley) to ensure that benefit management and post project closure benefit management is articulated effectively within key documents. The documentation is subject to annual review and is updated to reflect lessons learnt throughout the lifecycle of the project. An example of this is the benefit realisation plan (BRP) and reporting/tracking of benefits through governance as well as handover to business as usual (BAU) as part of the closure report. A draft revised BRP is currently being tested by project managers and finance to ensure that it delivers against the requirements of all key stakeholders. The reporting of benefits through governance forums is also subject to a significant review, ensuring OCB are kept informed of benefit delivery - a comprehensive view of actual v predicted; a 3 month rolling view of progress and more detailed view of risks to benefits delivery will be included in the OCB pack for September for consultation and subject to ratification will be live from October.

The PwC review highlighted improvements needed to benefits articulation, monitoring and realisation. This builds on the points we raised in our prior year work re the risk of erosion of benefits and the importance of effective benefits realisation to ensure the benefits of the transformation 'pain' are delivered. This is particularly the case with the non-cashable savings / productivity savings, where capacity and productivity generated from the transformation is easily lost within the organisation without a clear plan to capture and focus this capacity to maximum effect elsewhere.

4. Benefits realisation of major change programmes

Project Management and Risk Assurance Frameworks

Risks within the WMP programme are managed on a project by project basis and reported up monthly via the governance arrangements (see opposite for a typical example)

Portfolio Risk Analysis (May 17)

1. Number of risks(pre-mitigation 12 or above)/Issues being carried at portfolio level – 35 risks, 12 issues

Risk Areas	Resources	Cost/Benefit	Operational	Schedule	Technical	Reputational	Quality	Component Project Summary (Feb – Mar 17)
Trend	↓	↓	↔	↓	↔	↔	↔	Project / Programme 387
No. of risks	7	7	11	5	1	3	2	Portfolio 35
Issue Areas	Resources	Cost/Benefit	Operational	Schedule	Technical	Reputational	Quality	Total 422
Trend	↔	↓	↔	↔	↔	↔	↔	New this period 48
No. of Issues	2	3	7	0	0	0	0	Closed this period 14

Key	
↔	No Change
↓	Negative Trend
↑	Positive Trend
□	Change highlighted from last period

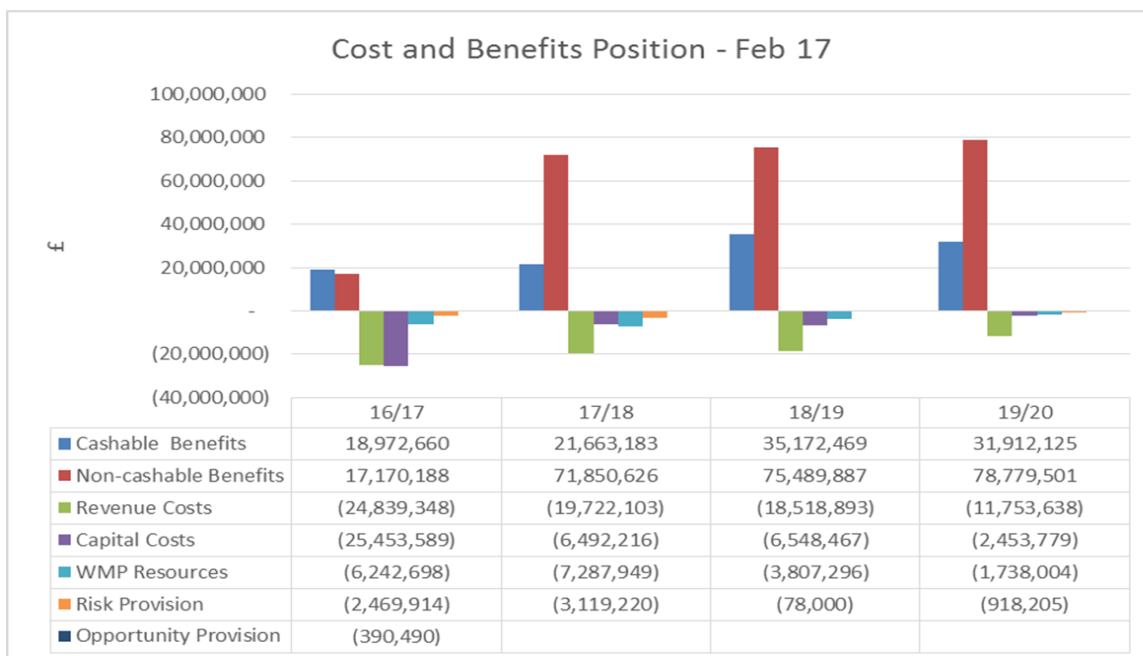
2. **Red, decreasing trend around Cost/benefits** – ‘ESMCP recommendation paper identified £4.4m adverse variance.
3. **Decreasing Trend Resource** – ‘Assessment of Operation Abstraction for ‘Big 4’ projects have identified significant abstractions during 2018.
4. **Decreasing Trend Schedule** – DEC Schedule RED due to UAT and defect fix rate likely to impact overall project schedule.
5. **Key risks of note (in addition to the above):**
 - Capacity and specialist skills across BT & enabling departments to support the delivery of the PoW
 - Impact of WMP2020 on BAU delivery within affected departments
 - Impact on Force Contact across a number of business cases Benefit realisation – ensuring delivery of benefits – number of C/Requests reducing benefits against original B/Cases
 - SME abstractions required to deliver the PoW – quantity and ability to release resource
 - Affordability to deliver the PoW and ability to absorb unforeseen costs (E.g. ESMCP), with no contingency
 - Loss of senior personnel (AD IT&D, Change Manager)

Note – all mitigations are being monitored at project and programme level on a monthly basis and further detail will be provided to the board at the quarterly review
Note – points 2-4 are carried over from previous portfolio risk analysis as items are still current at time of review

4. Benefits realisation of major change programmes (continued)

Benefits Realisation – 2016/17 performance

The programme has very recently carried out its annual benefits review. This is the culmination of the monthly monitoring of costs and benefits that is reported via the monthly highlight reports and summarises the benefits for the WMP programme in 2016-17. The report has yet to be finalised but the summary of WMP benefits can be seen in the table below.



This is a summary of the costs and benefits within the Live Finance Model (LFM) taken as at February 2017.

This does not take into account the benefits and refreshed costs for the following business cases;

- Op Pol Sol due August
- DDI due August

The following Programmes will also be presenting new or refreshed business cases which will impact on the costs and benefits within the LFM.

- NWoC
- NWoR
- NWOI

Please note there have been a couple of significant changes approved through OCB, since this snapshot was taken;

- ESMCP of £4.5m additional cost
- Force Contact / DEC - £9.2m reduction in benefits

On the face of it the programme is on track to deliver significant financial benefits.

4. Benefits realisation of major change programmes (continued)

Benefits Realisation – 2016/17 performance (continued)

The Benefit Manager post was established at the start of the WMP2020 Programme in 2015. This was filled on a part-time basis with Accenture staff primarily focused on the commissioning side as WMP developed business cases for the new programme of work. Accenture also supported the development of key templates i.e. the live finance model to track cashable and non-cashable benefits and the original benefit tracker template for projects. The delay in recruitment of a permanent post holder – for reasons outside WMP's control – has significantly hampered the ability to monitor benefits at a portfolio level as required.

This in part has led to some of the areas for improvement included in the PwC report in 2017 (see page 16 of this report) and the WMP programme team acknowledge this. Benefits have always been monitored at a project level (using the tracker or alternative tailored version) but to an inconsistent level as highlighted in recent audits reports over the last 12 months. New monitoring reports have been devised over the past 12 months, including the the annual benefit review (specific section on lessons learned and audit feedback – Grant Thornton included) and the new programme alignment in the Programme of Work (PoW) refresh. There has also been a benefits training overview given to the whole of the Business transformation team (as all staff, not only project managers, have a responsibility to be benefits focused). The revised SRO training programme has a dedicated module for benefits and there is a programme of benefits 'how to sessions' planned to reinforce 'good benefit management' as highlighted through internal and external audits

There is already an annual health check process in place which has a firm focus on benefit management. This takes place in January as well as the annual benefit review in July. This will be supplemented with formal quarterly benefit reviews to assess management of benefits at programme and project level, and review of the benefit realisation plans. To aid prioritisation the Benefits manager has devised a Gold, Silver, Bronze matrix for all projects so she can focus attention on the projects that have significant impact on the affordability of the overall PoW as well and key performance areas for the force.

There is also a process in place for managing changes to the benefits profile. If a financial benefit is reported as changing this has to be approved by the programme board via a structured change control process which starts with the Project Board for the project in question, then moves to the Programme Board before being finally signed off by the OCB (Change Board). Tolerances are minimal with any change having to be reported and signed off at OCB level. Current practice is that any change to the benefits has to go through the Project Board as a change request and then be reported and signed off by the OCB. Whilst this has provided considerable control, it has also generated additional work and meeting time. The OCB is moving towards introducing tolerances and risk provisions for projects. Whilst these would still be challenged, it is hoped that acknowledging that benefits may shift in some areas will provide an appropriate level of scrutiny. This is supported by a view that there is a greater maturity in the organisation around understanding the financial position and benefits realisation.

4. Benefits realisation of major change programmes (continued)

Benefits Realisation – 2016/17 performance (continued)

In our discussions with the PCC and the CC, there was a recognition that WMP needs to ensure it focuses very clearly on benefits realisation and the “bigger picture” and not get side tracked by the inevitable operational challenges and the clear rise in demand that has been a feature of the past year. The PwC report which we have referenced earlier in this report emphasised those points. We note the revised reporting of benefits to OCB which is being implemented at the September 2017 OCB meeting.

The WMP2020 programme has yet to formally respond to the PwC report. though the recommendations have been taken into consideration when devising the new monitoring reports, the annual benefit review (specific section on lessons learned and audit feedback– Grant Thornton included) and the new programme alignment in the Programme of Work (PoW) refresh as mentioned on the previous page. In order to demonstrate that the programme has understood and taken on board the PwC recommendations, we consider it is good practice to draft a formal response accordingly.

5. Medium Term Financial Strategy

MTFS and plans to understand the budget, investment and benefits profile

The MTFS is to be published in September 2017. It is supported by a detailed financial model which is updated regularly for known changes and specifically is linked to the WMP2020 programme. The financial model is updated at every decision point, e.g. OCB, MTFP etc. but it is usually updated monthly after OCB

All change requests which result in a change to cost and/or benefit are included in the financial model which is then refreshed just ahead of the MTFS publication in September of each year. There is a reconciliation and validation exercise completed at every decision point (this is shown in the change log tab within the model) to ensure the integrity of the model. The model is a live document. However previous copies of the model are retained so that management can go back to each decision point if required (although the change log tab within the model is usually sufficient). We have seen the version of the financial model as at June 2017.

It is also important to ensure the cost of implementing the PCP is fully understood and has been factored into MTFS plans in detail. This is particularly important where reliance will be placed on potential 'spare capacity' to be freed up from transformation implementation from the WMP2020 programme to provide the resource for PCP initiatives.

Recommendation 6: Ensure there is clarity on the true cost of PCP priorities, including where anticipated 'spare capacity' from transformation programmes is intended to 'fund' the delivery and implementation of PCP priorities. This will provide clarity over risks to delivery, particularly where demand pressures compete for spare capacity.

Progress and Delivery of Planned savings in 2016/17

There has been a reduction in benefits in 2016/17 driven by increases in demand, which has risen significantly in year, and also following the decision by the PCC to retain rather than make redundant 200+ PCSOs. It is hard to find cashable savings when staff numbers are not decreasing, in an organisation where the vast majority of costs are staff costs. In this situation it is key that the efficiencies generated are deployed effectively elsewhere to realise the benefits; in the absence of this, the risk is that productivity gains realised from the transformation dissipate within the organisation and are lost. Whilst savings targets for 2016/17 were realised, it is important to differentiate between budgetary underspends and realisation of transformation benefits.

There has been increased scrutiny of public sector reserve levels in recent years as a result of austerity and so the planned 'one-time' use of reserves is something management should ensure achieves value for money and achieves a real return on investment. The Force is also considering borrowing to support their estates strategy on the basis that this will be an 'invent to save' decision. It is key that management understand the return on investment for the use of reserves, ensuring they properly understand, and report, the return on investment as reserves are used, and are transparent in demonstrating they are used to invest in transformation, rather than business as usual. This will enable effective challenge over the planned use of reserves, and whether reserves have been used to support 'business as usual' or as investment to support transformational change.

Recommendation 7: Quarterly reporting should include a detailed analysis of the use of reserves. This should demonstrate clearly how planned and actual use of reserves is delivering (or will deliver) the anticipated transformational changes, and provide a holistic picture of the funding investment used to deliver transformational change, outside of 'business as usual'.

Appendix 1: Summary of recommendations – Main Audit

Rec No.	Recommendation	Management response	Implementation date & responsibility
1	Ensure there is clarity of delivery of the PCP between the Force, the PCC and other partners, and as part of this develop a wider framework to deliver the PCP priorities across all partners		
2	With resource pressures mounting due to National programmes competing for the same Change resource, ensure there are contingency plans in place to deal with these pressures.		
3	Specialist resource recruitment, in particular to IT-related programmes such as the “app” development, should be prioritised as lack of such resources could put real pressure on benefits realisation going forward.		
4	Ensure that the recommendations of the PwC report and the Internal Audit reports are fully assessed and built into the approach to benefits realisation going forward. Ensure a formal response to the PwC report is produced.		
5	The WMP 2020 programme should prioritise the development of the detailed training programme for SROs		
6	Ensure there is clarity on the true cost of PCP priorities, including where anticipated ‘spare capacity’ from transformation programmes is intended to ‘fund’ the delivery and implementation of PCP priorities. This will provide clarity over risks to delivery, particularly where demand pressures compete for spare capacity.		
7	Quarterly reporting should include a detailed analysis of the use of reserves. This should demonstrate clearly how planned and actual use of reserves is delivering (or will deliver) the anticipated transformational changes, and provide a holistic picture of the funding investment used to deliver transformational change, outside of ‘business as usual’.		

Appendix 1: Summary of recommendations – OpPolSol

Rec No.	Recommendation	Management response	Implementation date & responsibility
1.	Check that reservations over the Northgate solution that led to deselection in the original Market Assessment have been mitigated.		
2.	A summary of SME feedback on the proposed system would improve the information for decision presented in the DBC.		
3.	Check that risks to business continuity, user engagement and the implications of delays, have been adequately mitigated		
4.	Ensure appropriate legal advice has been taken on the procurement route		
5.	Obtain assurance that the WMPs contract standing orders have been complied with in regard to the Accenture contract amendment.		
6.	Ensure that the free days offered by Accenture are included in the contract		
7.	The benchmarking analysis to assess the value for money of the preferred option is limited, and would benefit from an independent analysis		
8.	Sign off from senior officers is needed to validate non-cashable savings		
9.	Check that financial risk is appropriately shared between the contracting parties (e.g. in the event of delay).		
10.	A statement of feedback from Forces who had implemented the Northgate Solution would strengthen the DBC		
11.	The DBC should include a rationale for the use of the 10% and 20% risk provisions.		

Appendix 1: Summary of recommendations – DDI

Rec No.	Recommendation	Management response	Implementation date & responsibility
1.	Ensure that the selection of this procurement route is compliant with the Force's Contract Standing Orders and delegated authority – both in terms of the Force's threshold for extending an existing contract without competition, and the authority to vary contracts up to a set level, without approval from the PCC.		
2.	Strengthen the recording and documentation of the procurement process, specifically judgements and considerations supporting key decisions, to ensure a clear audit trail for all the decisions made via the relevant governance committee. This includes clearly documenting the rationale for the decision for Accenture to procure the solution via a contract variation, as well as the consideration of the risks and benefits of this proposal. It also includes documenting the judgements and considerations in the choice of procurement route, and the documentation of how the Force is satisfied their approach complies with Force contract standing orders.		
3.	Ensure appropriate legal advice has been taken on the procurement route.		
4.	Prioritise the acquisition of the in house data expert resources for the DDI project in sufficient time to allow for full handover from the Accenture resource and in order to establish a credible cadre of resource to maximise the potential of the DDI project post implementation in 2018.		
5.	Improve the clarity of the financial cost of the procurement in the DBC. This includes presenting the financial cost of the project in a simple table as the current business case presentation of the costs lacks clarity and could be difficult for those charged with governance to interpret.		
6.	Agree that the financial risk - for example, in regard to the cost of delay, or costs associated with unforeseen development issues - is appropriately shared between Accenture and WMP and that this is reflected in the contractual arrangements.		

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
1.	The Joint Audit Committee should assess its Terms of Reference and ensure that the coverage is appropriate and if so, that the number of meetings planned is sufficient to deliver assurance in all areas.	Medium	The Terms of Reference for the JAC will be reviewed by the committee in March 2017 and then annually thereafter. As part of the review the committee will consider the workplan and the number of meetings required to achieve the workplan.	Complete. The Committee has undertaken this task and continues to consider its role.
2.	The Joint Audit Committee should ensure that the risk management information it receives from both the PCC and the Chief Constable is consistently presented to facilitate review and challenge and a holistic understanding of risk across the group. The Committee's work plan should prioritise providing assurance over the areas of highest risk.	Medium	The force and Office of the PCC are distinct organisations and therefore retain separate risk registers. It is acknowledged by the force that risk assessment methodology could be more closely aligned to that used by the PCC, therefore this work will be undertaken in the next quarter.	Accepted that this is in progress. Risk management will be followed up as part of our 2017/18 audit work.

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
3.	As part of on-going review, options for additional savings should be explored so that, if further deterioration in the benefits transpires, they can be fed into the commissioning pipeline.	High	<p>The portfolio maximises opportunity to explore additional benefits from inception in the commissioning stage through to post project closure benefit realisation.</p> <ul style="list-style-type: none"> • Commissioning process; all expressions are scrutinised and reviewed by the Benefits Manager at the earliest opportunity. • Monthly/Qtly benefit status meetings held between the PM and BM to assure identified benefits are on track but to also establish if any additional benefit can be derived. E.g. TS1 – Investigations additional 50 FTE non-cashable savings reinvested into PPU . • Benefit management is called out at Organisational Change Board (OCB; chaired by DCC), portfolio level at the monthly status meeting and programme/project level at monthly boards. • There is an annual benefits review scheduled before the revised budget setting process, with a 6 monthly health check/assessment. Post closure there are 6 monthly reviews scheduled into the 2 year Programme of Work delivery plan. • Where dis-benefits or defrayment of benefits are identified rectification plans are produced by the project teams, supported by the Benefit Manager, to identify alternative opportunities to offset reductions where possible. 	Action is ongoing. Benefits framework being considered in light of PwC report

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
4.	SROs new to post should undertake an early review of expected benefits to inform part of their individual performance targets and an agreed delivery profile.	High	<p>As part of the on-boarding of new SRO's to projects the Project Initiation Document, Benefits Realisation Plan (BRP) and Project Plan are agreed with the SRO. These are the foundation documents for the project and are the source documents reviewed monthly at project boards. It is the intention to review the role of the SRO to ensure they are held accountable for benefit realisation;</p> <ul style="list-style-type: none"> • Assurance panels to be conducted as part of the annual benefits review with members of the Portfolio and Executive Team. • Executive Sponsors will report monthly on benefit realisation progress across their portfolio area's. • During and post project closure benefit performance measure's will be included as part of the departmental QPR process. The PMO in box templates will be updated to reflect this. • Performance measurement is to be included on MiPatch. 	Complete

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
5.	Sufficient time should be identified to undertake a review following the initial delivery stage looking at both the integration and benefits profile and contract performance with AccentureUK.	Medium	There is a programme of assurance work underway around the WMP2020 programme. This includes an external review of the benefits of TS1 and Internal Audit will deliver a number reviews in the remaining part of 2016/17 and throughout 2017/18.	<p>Complete.</p> <p>PwC were asked to carry out an assurance review following our recommendation. We have referenced this report in this year's audit report</p> <p>In addition, Internal Audit reports on specific risk areas which currently include "Body Worn video" project, Performance Management, Procurement.</p> <p>We have reviewed the PwC Assurance report and the internal Audit report on Body Worn Video and have included references in our 2016-17 audit report</p>

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
6.	Given there has been substantial reductions in benefit for some projects, there needs to be further scrutiny of forward plans in this area. The MTFP should reflect this level of risk until this exercise is complete which may impact on the future options outlined for the use of surplus revenue.	High	<ul style="list-style-type: none"> Accountant aligned to each Project and alongside the Project Manager will maintain the Project BRP. The intention is that the BRP will be used as part of the monthly finance monitoring process. Monthly meeting between Chief Accountant and Benefit Manager to ensure any emerging threats are managed and escalated in a timely manner through approved governance. 6 monthly benefit health checks to include finance. Annual benefit review scheduled to feed into the budget setting timetable. 	Complete
7.	WMP should build on the benefits review to gain full understanding of overall Return on Investment (RoI) which will better inform decision making going forward.	High	<p>The live finance model is used to manage the overall cost and benefits of the portfolio.</p> <p>The BRP captures the full cost – including internal resources which is monitored on a monthly basis. The intention is that these will be reviewed monthly by the Benefits Manager and Principle Accountant with early indication of over/underspends challenged with the Project Manager.</p> <p>The outcomes of these reviews will inform reinvestment opportunities.</p>	Action ongoing as part of response to PWC review on benefits

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
8.	The coordination and linkage between Health and Wellbeing initiatives and the change programme should be developed to ensure resilience of staff through this cultural change.	Medium	A new Head of Wellbeing (Tina Cook) has recently been appointed (Jan 2017) along with a Mental Health Lead (Sarah Cavendish) and we are in the process of recruiting to improve clinical leadership and expertise within Occupational Health. In addition within the new structure within People and Organisation Development Directorate there is a new Employee Engagement role to focus on emotional wellbeing and engagement. The emerging strategy for Wellbeing, the customer proposition and new operating model within P&OD will provide a significant uplift in wellbeing capability and support as part of The People Deal, which will in turn provide a long term and more strategic solution to resilience during both operational and cultural change.	<p>Complete.</p> <p>Our 2016/17 audit work reviewed progress on this recommendation. Ali Layne-Smith, HR Director, confirmed that WMP launched the EAP (Employee Assistance Programme) known internally as BWELL in June 2017</p> <p>Rebecca Davies who leads the L&OD team has repositioned wellbeing within the organisation around 4 areas – physical, mental, spiritual and emotional and they are resourcing to reflect that with an increase to the clinical Occupational Health team numbers, physiotherapists and HR Advisers who help line manager handle complex ill health cases.</p>

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
9.	Clarity around training support and terms of reference for SROs should be developed to ensure that staff have the necessary skills and experience to draw on to deliver challenging projects.	Medium	<p>Work is in progress to capture and review lessons learnt from TS1 implementation and the role of SRO forms part of that review.</p> <p>Emerging findings indicate that we would benefit from improved role clarity, selection and development and we will use the review to inform activity needed to address any issues prior to TS2.</p>	<p>Action ongoing.</p> <p>Our 2016/17 audit work reviewed progress on this recommendation. Approach to TS2 changed with a more “continuous improvement” approach agreed. So, no formal TS2 phase. This is designed to avoid “change fatigue” with the staff. Discussions ongoing about a tailored training programme for SROs. A modular approach with structured programme of support via mentors is the proposed approach</p>
10.	Delivery reporting needs to be consistent month on month to enable tracking of projects and should ensure financial targets are at the forefront, linked to benefits realisation.	Medium	<p>Through the PMO in box refresh a revision of the current BRP is underway to simplify and align to finance report format.</p> <p>There is a work in progress to develop a dashboard style report, which will include a portfolio view of benefit delivery. This will be shared at portfolio and executive level on a monthly basis.</p>	<p>Action ongoing.</p> <p>Our 2016/17 audit work reviewed progress on this recommendation. Portfolio Summary dashboard produced which includes all relevant projects and gives RAG status for the different components of Schedule, Cost, benefit, people/change, Scope, Risk and issues.</p>

Appendix 2: Update of recommendations from our 2015/16 report

Rec No.	Recommendation	Priority	Management response	Grant Thornton update
11.	Improvements should be made to the consistency of highlight reports to facilitate the tracking of progress more accurately. Milestones should be consistent with plans, and cover a 3 month sliding window of last month/this month/next month to allow clear visibility of progress on all key milestones. Budgets, forecasts, actuals and variances, for both costs and benefits, should be included.	Medium	<ul style="list-style-type: none"> Project status reports have been updated to include a 3 month view (last, current and next month). Trends are identified at Portfolio level and included in the Programme of Work status update to the Executive and PCC. There is work in train to identify software that will provide a consolidated view of milestones extracted from MS Project plans which will provide more consistency in reporting and a more accurate picture of critical delivery milestones. Creation of reporting dashboard will provide view of risks, benefits, dependencies and change impact etc. 	<p>Complete.</p> <p>Our 2016/17 audit work reviewed progress on this recommendation. Individual project ‘Plan on a page’ showing key project milestones plus revised Highlight reports are now prepared for each project on a monthly basis. This feeds in to the portfolio Summary report mentioned in 10 above.</p>
12.	Senior Leaders need to have a clear understanding and grip of the financial elements of project delivery and where this fits into the overall portfolio.	High	<p>As a result of this recommendation all OCB papers (Change Requests, Project Mandates & all forms of Business Case – Outline or Detailed) have greater detail re the financial implications of projects & programmes.</p> <p>Sarah Buckley brings an overall financial report re costs, savings & benefits realisation to OCB & we ensure SROs, Project Managers and OCB members have a greater understanding of the financial implications of requests and decisions. This enables a broader understanding of the overall financial picture & progress on benefits realisation across WMP2020.</p>	Complete.



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