



Agenda Item 14

JOINT AUDIT COMMITTEE
28 September 2017

HMIC Value for Money report
Comparison of Outliers

1. PURPOSE OF REPORT

- 1.1. This report follows up on the discussion held by Joint Audit Committee held on 30 March 2017.
- 1.2. Recommendations for further analysis of the outliers in the HMIC Value for Money Report 2016 were requested and these are presented below for further discussion or recommendations by the Joint Audit Committee.

2. BACKGROUND

- 2.1. HMIC published Value for Money profiles for all forces on 17 November 2016. It 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. A session on the Value for Money profile was held on 3 March 2017 and reported to the Joint Audit Committee on 30 March 2017.
- 2.3. Since then, discussions with Forces in our Most Similar Group (MSG) have been underway to further analyse the context, definitions and operational volumes related to the outliers for West Midlands Police.

3. VALUE FOR MONEY ANALYSIS

- 3.1. The analysis presented in this report has been a reasonably 'light' desk exercise in comparing the background information behind the results for each of the MSG Forces. As agreed at the Joint Audit Committee on 30 March 2017 we have focussed our initial information gathering on outlier results in the following areas:.

- Public Protection
- Intelligence
- Investigation
- Support
- Earned income

- 3.2. Contact has been made with all three MSG Forces (Greater Manchester, Merseyside and West Yorkshire). The Forces are willing to undertake further analysis and share the information across the group to achieve a better understanding of our comparative information. However it has been disappointing in the time it has taken to receive responses to our original information request.
- 3.3. At this stage we are only able to provide a high level comparison of both the subjective interpretation of cost categorisation and how each Force has included/excluded service costs across categories.
- 3.4. Further work to add operational / volume information, provide a context of policy decisions, understand the similar positions of our MSG and unpick the raw data to ensure we are comparing 'like with like' across the relevant forces. This is expected to be a major piece of work that will need to be appropriately resourced.

4. INITIAL FINDINGS

- 4.1. A summary of the responses for WMP and the MSG Forces is shown at Appendix A. As stated above, this gives an overview as to how other Forces classify their costs and income, but really requires the values and context to draw any tangible conclusions.

5. RECOMMENDATIONS

- 5.1. A piece of work is undertaken to primarily look at the external income generated by West Midlands Police to ensure that:

- a greater understanding of the difference in external income between MSG Forces can be articulated,
- appropriate and agreed charges are applied and enforced,
- Opportunities for income generation are maximised.

This report will form part of the annual review of fees and charges and also be presented back to the Joint Audit Committee.

- 5.2. A workstream for revenue generation forms part of the Commercial services portfolio and specifically the Commercial Services Board (CSB). The approach to exploring opportunities is already underway and will form part of the business as usual responsibilities of the Director of Commercial Services and his direct reports. The terms of reference for the CSB, an annual plan and regular monitoring reports could form a part of the reporting cycle for the JAC as required.
- 5.3. The next annual submission of the HMIC VFM report is due later in the Autumn. It is recommended that the detailed work on cost classification be incorporated into ensuring a consistent approach across MSG forces for the 2017 submission.

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