

**Appendix A (1)**

**Police and Crime Commissioner West Midlands  
Annual Governance Statement**

Position as at 31<sup>st</sup> March 2020 including plans for the financial year 2020/21.



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## 1 Introduction

This Annual Governance Statement demonstrates how the Police and Crime Commissioner for the West Midlands complies with a governance framework. This includes how the effectiveness of the framework is evaluated and monitored. This document also highlights any significant governance issues and any planned changes in the governance framework. A major development on the operation of the Police and Crime Commissioner's business has been the outbreak of COVID-19 which has had a significant impact on West Midlands Police. This statement refers to how the outbreak of COVID-19 has been managed and governed from a policing perspective.

## 2 Scope of Responsibilities

The Commissioner is responsible for ensuring his business is conducted in accordance with the law and proper standards, and public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Commissioner also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which his functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Commissioner is also responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained through the year and arrangements are in place for the management of risk.

The Commissioner has adopted a Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE 2016 updated framework: *Delivering Good Governance in Local Government*, a copy of which is on the Commissioner's website at [www.westmidlands-pcc.gov.uk](http://www.westmidlands-pcc.gov.uk) or can be obtained by contacting the Commissioner's office, details at <https://www.westmidlands-pcc.gov.uk/contact>. This statement explains how the Commissioner has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 (amended 2020), regulation 6(1), which requires all relevant bodies to prepare an annual governance statement.

## 3 The Purpose of the Governance Framework

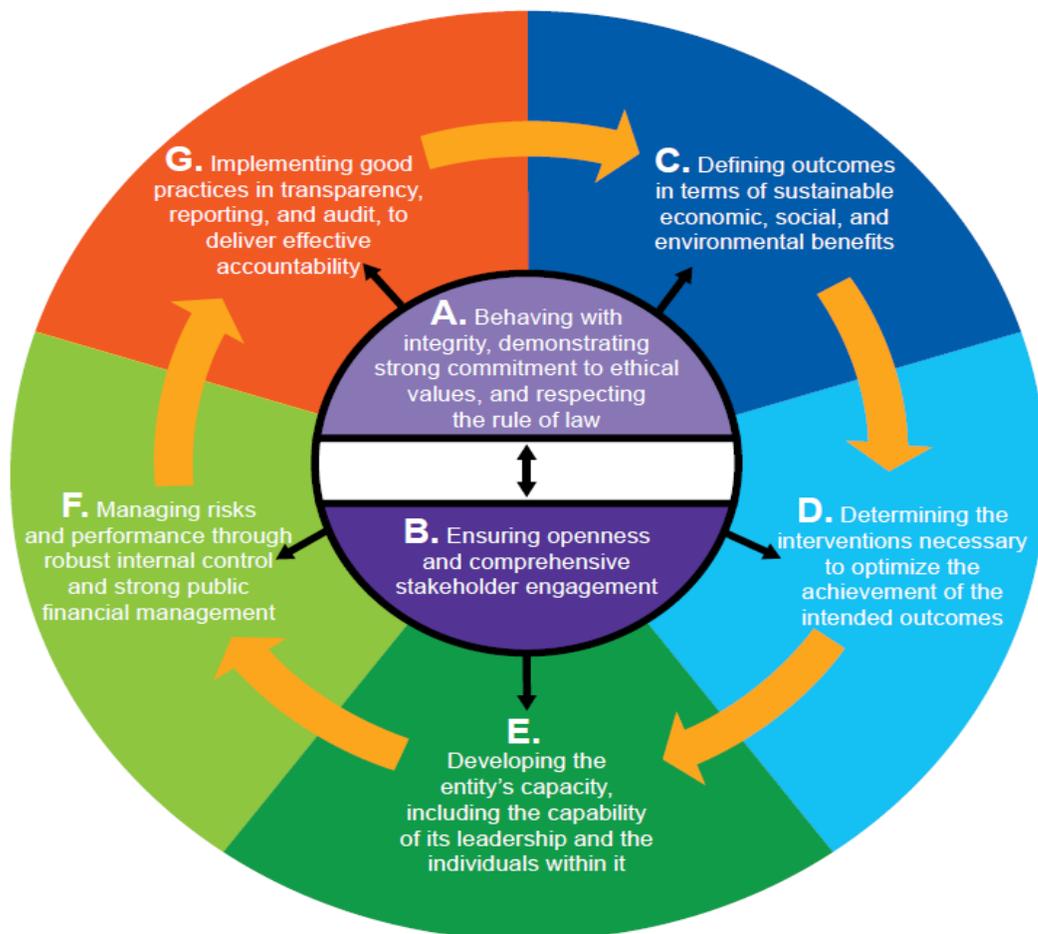
The governance framework comprises the systems and processes, and culture and values by which the Commissioner directs and controls his activities through which he accounts to and engages with the community. It enables the Commissioner to monitor the achievement of his strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable but not absolute assurance of



effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Commissioner's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

The diagram below sets out the core principles of the Police and Crime Commissioner's Governance Framework.



#### 4 The Governance Framework

Although the Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force, the Commissioner is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. The relationship between the Commissioner,

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the Chief Constable, the Police and Crime Panel and the Home Secretary is guided by the [Policing Protocol Order 2011](#).

It therefore follows that the Commissioner must satisfy himself that the Chief Constable has appropriate mechanisms in place for the maintenance of good governance. For these to operate in practice, the Commissioner and the Chief Constable, as separate corporations sole, have separate but complimentary governance structures. These facilitate the achievement of effective governance arrangements, including the monitoring and assessment of performance in line with statutory responsibilities.

The Commissioner has adopted a number of systems and processes which comprise the Commissioner's current governance arrangements, the key elements of which are detailed below:

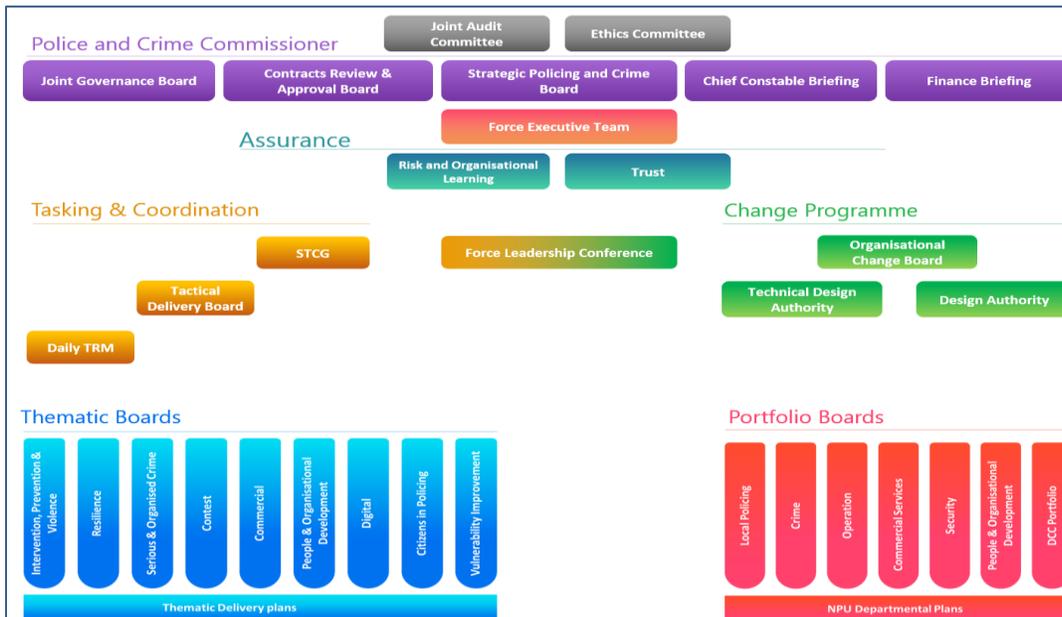
- The West Midlands Police and Crime Plan 2016 – 2020 sets out the Commissioner's objectives for policing and community safety, the policing to be provided, the financial and other resources that will be available, how performance will be measured, what grants will be made and how the Chief Constable will be held to account. Due to COVID-19 the Commissioner's Police and Crime Plan was amended in April 2020 and includes an emergency chapter covering the COVID-19 crisis. Also the postponement of the Police and Crime Commissioner elections in March 2020 to May 2021, means the current Police and Crime Plan, including the emergency chapter will be in place to the end of the Commissioner's term of office in May 2021.
- Translating the Commissioner's objectives into delivery plans.
- The operation of the Strategic Policing and Crime Board (SPCB) that provides effective engagement, strategic direction and assists the Commissioner in holding to account West Midlands Police. The SPCB meets monthly and are open to the public. The meetings are webcast and are taking place virtually during the COVID-19 crisis.
- The Commissioner works with the Chief Constable to ensure there are processes and systems in place to deliver the Police and Crime Plan. This allows the Commissioner to be satisfied the Chief Constable has regard to the Police and Crime Plan through the strategic and operational plans of the Force.
- Measuring the quality of services, to ensure they are delivered in accordance with the Commissioner's objectives and represent the best use of resources and value for money.
- Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication, in respect of the Commissioner and partnership arrangements.
- Ensuring effective arrangements are in place for the discharge of the head of paid service and monitoring officer functions.
- Ensuring the Commissioner's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014).
- Ensuring compliance with the Commissioner's statutory responsibilities, including:-
  - Setting the budget and precept



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- Issuing a Police and Crime Plan
  - Publication of an Annual Report
  - Publication of specified information
  - Duties to consult with victims of crime, the population as a whole and ratepayers
  - Safeguarding of children and promotion of child welfare
  - Having regard to the Strategic Policing Requirement. This is demonstrated through an annual report to the SPCB
  - Duties relating to equality and diversity
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- Procedure rules, policies and internal management processes are established for Financial Management, Procurement, Health and Safety, Confidential Reporting (“Whistleblowing”), Complaints Handling, Anti-Fraud, Bribery and Corruption and Records Management, including security of information and information sharing.
  - Codes of conduct, defining the standards of behaviour for the Commissioner, Deputy Police and Crime Commissioner, Members of the Strategic Policing and Crime Board, Statutory Officers and Staff.
  - The Joint Scheme of Corporate Governance sets out in detail the respective roles and functions of the Commissioner and Chief Constable, outlining all significant decisions which are consented or delegated and which are of a statutory, financial or management nature.
  - A Decision Making Policy is in place which establishes the approach and principles of decision-making. All decisions made by the Commissioner are recorded and published on line for transparency.
  - A Joint Audit Committee (with the Chief Constable) is responsible for independent assurance on the adequacy of the risk management framework and the associated control environment, the independent scrutiny of the Chief Constable’s and PCC ‘s financial performance to the extent that it affects the Chief Constable and PCC’s exposure to risk and weakens the control environment. The Joint Audit Committee has an independent Chair, as identified by the Home Office’s Code of Practice for Financial Management and CIPFA’s Audit Committee – Practical Guidance for Local Authorities and Police. An independent member has also been appointed to the Joint Audit Committee.
  - An Ethics Committee which advises the Commissioner and Chief Constable on data science projects being proposed by the Force’s Data Analytics Lab. The Lab is led by specially recruited data scientists and will develop programmes of work that use data more intelligently to help the Force prevent crime, allocate resources more efficiently and help it to do its job of keeping the public safe. The Ethics Committee has been set up to help ensure that ethics and people’s rights are put at the heart of the Lab’s work. Using the Committee’s expertise, the Force will be in a better position to help people avoid crime and support the communities of the West Midlands.
  - The PCC has a Corporate Risk Strategy and Register, prepared and reviewed by senior management. The Joint Audit Committee is responsible for independent assurance on the adequacy of the risk management framework.
  - Procedural rules, policies and internal management procedures are established for financial management.

- Oversight of the management of change and transformation within the Force.
- Ensuring the Commissioner’s assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and, where they do not, explain why they deliver the same impact.
- An External Audit function reports to “those charged with governance” in respect of the Annual Accounts.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. An example of this is the development of the West Midlands Violence Reduction Unit.
- Developing good governance arrangements in respect of partnership and other joint working arrangements.
- The Commissioner provides information to External Audit to enable them to provide assurance.
- The Commissioner also ensures External Audit’s recommendations are implemented.

The diagram below details how the Commissioner’s governance structure is aligned to the governance structure of West Midlands Police.



## 5 Review of Effectiveness

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The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework.

The review of effectiveness is informed by the work of the managers within the Commissioner's Office, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual report, and also by comments made by the External auditors and other review agencies and inspectorates.

In maintaining and reviewing the effectiveness of the governance arrangements, the following roles are undertaken:

- **The Commissioner**

The Commissioner is overall responsible for the maintenance and review of the governance arrangements and has asked his Statutory Officers, together with the Head of Internal Audit to continue with the review of the corporate governance arrangements, designed to assess and monitor:

- Code of Corporate Governance
- Review of the System of Internal Control
- Performance / Assurance Protocols and associated information
- Production of the Annual Governance Statement

- **The Joint Audit Committee**

The Commissioner's and Chief Constable's Joint Audit Committee is responsible, on behalf of both Corporations Sole, to:

- Advise the Commissioner and the Chief Constable according to good governance principles.
- Provide independent assurance on the adequacy and effectiveness of the Commissioner's and Chief Constable's internal control environment and risk management framework.
- Oversee the effectiveness of the framework in place for ensuring compliance with statutory requirements.
- Independently scrutinise financial and non-financial performance to the extent that it affects the Commissioner's and Chief Constable's exposure to risks and weakens the internal control environment.
- Oversee the financial reporting process and consider the arrangements to secure value for money
- Ensure the Force is implementing agreed actions resulting from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspections.

The Terms of Reference of the Committee, encompasses and reflects these duties by defining that they:

- Be the conduit through which the Governance work is channelled.
- Provide assurance on risk management arrangements on behalf of the Commissioner.
- Recommend approval of the Statutory Accounts of the Commissioner and Chief Constable.

To ensure that it is ably qualified, assessments of its abilities in line with best practice are undertaken confirming that the Committee is well suited and equipped for such responsibilities. Members of the Committee will undergo regular training when required to ensure the Committee is effective in its role in advising the Commissioner and the Chief Constable.

- **Internal and Audit**

The system of Internal Audit is a primary tenet of corporate governance and is the joint responsibility of the Commissioner and Chief Constable. The provision and maintenance of an effective Joint Internal Audit Service, has been delegated to the Chief Finance Officer (CFO). The Audit Committee oversees the provision of this service, reviewing associated plans and work outputs.

The standards of Internal Audit are assessed against the Public Sector Internal Audit Standards (PSIAS) and an external assessment of Internal Audit against the PSIAS standards was undertaken in 2017/18. The results of the assessment were positive and the service continues to undertake a self-assessment against the standards on an annual basis with the results reported to the Joint Audit Committee.

During 2019/20 Internal Audit has continued the approach of concentrating on the major risks faced by the PCC and the Force. This revised approach has allowed the Commissioner to have increased confidence in the governance, risk management and control processes. In the construction of the Internal Audit plan for the year ahead, consultation has taken place with senior managers to ensure the areas of greatest risk are prioritised. The plan in 2020/21 will be subject to revisions as a result of COVID-19 and other changes in the risk profiles of the organisations.

- **The Corporate Governance Working Group**

A joint Corporate Governance Working group has been established with West Midlands Police to provide advice to the Commissioner and the Chief Constable on the application of the statutory requirements and guidance relating to corporate governance. The group will also provide feedback on the effectiveness of the corporate governance systems.

- **Police and Crime Panel**

The West Midlands Police and Crime Panel (WMPCP) scrutinises the work of the Commissioner. The Panel acts as a critical friend to the Commissioner - assisting him through independent challenge.

The Panel has a number of powers and responsibilities, including:

- Reviewing the draft Police and Crime Plan to ensure local priorities have been considered
- Scrutinising the Commissioner's Annual Report
- Scrutinising the decisions and actions of the Commissioner
- Reviewing, and potentially vetoing, the Commissioner's proposed policing precept (the part of Council Tax collected for policing)
- Holding confirmation hearings for the proposed appointment of a Chief Constable, Deputy Police and Crime Commissioner and senior support staff

- **West Midlands Police Change Programme**

A comprehensive change programme has been undertaken across West Midlands Police called WMP2020. The change programme included the development and introduction of a Target Operating Model (TOM). Many systems and processes have changed across the Force to ensure it remains efficient and continues to improve services to the public across the West Midlands. Certain systems continue to be introduced as part of the original change programme and the Force continues to improve. The change programme has inevitably resulted in changes to some existing governance arrangements, and poses new challenges for the Commissioner in holding the Chief Constable to account. To manage the WMP2020 programme governance arrangements have been put in place to make sure the Commissioner has effective oversight of the project. These arrangements include:-

- (i) Members of the Commissioner's office and the Strategic Policing and Crime Board participating in the following boards:-
  - Organisational Change Board
  - Design Authority

This ensures the Commissioner is well sighted on the delivery of WMP2020 and ensures the programme is in line the priorities of the Police and Crime Plan.

- (ii) Members of the Commissioner's office and the Strategic Policing and Crime Board are embedded in schemes at programme and project levels.

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The continued significant changes to ICT infrastructure, organisational structure and procedures and the Corporate Estate, requires continued programme management. These are overseen by the Organisational Change Board and individual project boards.

Alongside other changes the Commissioner continues to be responsible for the direct and indirect commissioning of services.

## 6 Collaborative Working

The Commissioner has in place a number of collaborative arrangements to deliver services in conjunction with both national and neighbouring Police and Crime Commissioners. These include:-

- A collaboration agreement in place for the counter-terrorism policing network that will be taking responsibility for Special Branch services from regional forces.
- The Commissioner is the chair of the National Counter Terrorism Strategic Board, which supports the governance of counter-terrorism policing nationally.
- The National Ballistics Intelligence Service (NABIS) where the West Midlands Police is the co-host force. The arrangement also being subject to a collaboration agreement and the Commissioner is represented on the NABIS governing board.
- The West Midlands Regional Organised Crime Unit (ROCU) is the subject of a four-force collaboration agreement (Staffordshire, Warwickshire, West Mercia and West Midlands). The future governance arrangements of the ROCU are likely to be impacted by Sir Craig Mackey's review of serious and organised crime.
- The West Midlands Violence Reduction Unit which was launched in 2019 and involved WMP, health and education professionals to work together to understand the causes of serious violence in the West Midlands and agreeing a co-ordinated response.
- A West Midlands wide Community Safety Partnership enabling crime reduction activities to be commissioned more effectively and efficiently.
- A shared Complaints Review Manager resource with Warwickshire's Police and Crime Commissioner. This post will review complaints against police officers on behalf of the Commissioner.
- A regional approach in the introduction and operation of the Police Education Qualification Framework.
- A bilateral collaboration with Warwickshire Police and Crime Commissioner where West Midlands Police are delivering a range of services to the Warwickshire Police.
- The Regional Criminal Justice Forum which is a collaborative partnership between PCCs, forces and criminal justice colleagues across the West Midlands, designed to address cross cutting themes and issues that are affecting all four areas.

For the arrangements detailed above, governance is conducted in compliance with the relevant collaboration agreements. Also collaborative working is supported by the appointment of two Regional Policy Officers working with the four West Midlands regional forces.

There is also a two-force Central Motorway Policing Group arrangement in place between Staffordshire and West Midlands.

The Commissioner is also a signatory to the National Police Air Service (NPAS) collaboration agreement and is working with regional PCCs to develop appropriate and proportionate oversight. The future governance of NPAS is likely to be affected by a national review of police air support.

There are further collaborative arrangements that may come into effect through national programmes. This includes the specialist capabilities programme.

Through working with the West Midlands Combined Authority the Commissioner is collaborating on a wide range of issues this includes mental health and youth offending services.

The Commissioner is also in collaboration with other bodies this includes West Midlands Fire Service and local councils through the estates programme where policing is being delivered in shared buildings.

## **7 Significant Governance Issues**

Significant governance issues are defined as:

- An issue which has prevented or seriously prejudiced achievement of a principal objective
- An issue where additional funding has had to be sought in order to resolve it
- An issue which has resulted in a material impact on the accounts
- An issue which the Head of Internal Audit has specifically highlighted in the annual audit opinion
- An issue which has attracted significant public interest and has damaged the reputation of the Commissioner
- An issue which has resulted in formal action being taken by the Chief Finance Officer and/or the Monitoring Officer.

A significant issue that occurred during 2020 is the outbreak of the Coronavirus across the world. This led to the Commissioner introducing an emergency chapter in the police and crime plan. This covers the following objectives:-

- Ensuring West Midlands Police responds efficiently and effectively to COVID-19, and works in partnership to protect the public of the West Midlands.
- Protecting the organisational health of West Midlands Police, so it not only responds to the national emergency effectively, but recovers and returns to normality as quickly as possible.
- Lead and support the partnership response to the national emergency.

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- Ensuring the Office of the Police and Crime Commissioner does all it can to effectively respond to the national emergency, commissioning services that mitigate its effect and support the return to normality.

The Commissioner has put structures in place to ensure the above objectives are being delivered during COVID-19. This includes a comprehensive delivery plan supporting the objectives and meetings of the Strategic Policing and Crime Board where the Force has been held to account on the delivery of the plan.

Internal Audit completed a follow up review of Sex Offender Management at WMP during 2019/20. Further scrutiny to the service was also presented to the Commissioner's Board in January 2020 on the lessons learnt into a recent tragic case involving a convicted sex offender. The Force are implementing the recommendations to improve the management of sex offenders and this is being monitored by Internal Audit.

The Commissioner has continued to hold the Chief Constable to account where reductions in funding have had potential impact on business as usual activities of the Force. This has included areas such as the Force's Response Service and Force Contact. Reductions of funding have coincided with recent increases in violent crime, where again the Commissioner has held the Chief Constable to account.

During 2018/19, Internal Audit reported on weaknesses in the legacy systems of West Midlands Police. These systems continue to be replaced over the next year which will resolve these weaknesses and Internal Audit are undertaking regular follow ups.

The Commissioner is sighted on any significant issues arising from the work of Internal Audit and will, where necessary, question the Chief Constable on any actions being taken to address the issues raised.

## **8 Delivering the Police and Crime Plan 2016-2020**

During 2020/21 work will continue to deliver the Police and Crime Plan 2016-2020, including the emergency chapter for COVID-19. The detailed delivery plan to support the Police and Crime Plan is monitored by senior managers within the Commissioner's office on a regular basis. The delivery of the Police and Crime Plan assists the Commissioner to secure and maintain efficient and effective policing services across the West Midlands. The Commissioner will continue to work with West Midlands Police in the delivery of the Force's strategies and plans.

The Commissioner's delivery plan is aligned to the risk register and acts as an action plan for the achievement of the Commissioner's priorities.

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## 9 Issues Raised in Previous Year's Annual Governance Statements

The Commissioner's Annual Governance Statement of the 31<sup>st</sup> March 2019 included the continued implementation of the WMP2020 programme to ensure the Force operates efficiently and effectively within limited resources. The implementation of Force systems as part of the change programme has continued during 2019/20. Work will continue to ensure the benefits of these systems are maximised which includes cashable and non-cashable benefits. The achievement of the overall WMP2020 benefits will continue to be monitored and reported to the Commissioner through the Organisational Change Board.

The Commissioner has continued to hold WMP to account in relation to areas that have witnessed high demands for service. This includes Force Response and the Contact Centre. The Police Officer Uplift programme will provide more resources to the Force and help in these areas. Also the violence reduction initiatives such as Surge funding and the Violence Reduction Unit will assist in the reduction of violent crime.

Internal Audit have completed follow-up work during 2019/20 to monitor improvements being made across the Force and Commissioner's office in relation to the General Data Protection Regulations (GDPR). Improvements have been made in this area and Internal Audit consider aspects of GDPR routinely in their reviews where appropriate. In addition, the Force has introduced new procedures and processes in the management of data across the organisation. Also Internal Audit sit on both the Information Assurance Working Group and the Strategic Information Management Board where GDPR and wider information management issues are discussed and monitored.

## 10 Future Developments

Looking forward there are several initiatives that will potentially impact on the role and remit of the Commissioner that may require governance arrangements to be amended. These include:-

- The continued impacts of COVID-19 on policing the West Midlands. This includes any immediate impacts and how the area recovers from the pandemic.
- The impacts on COVID-19 on the public of the West Midlands this includes the social and economic consequences of the disease.
- Further collaborative working with police forces in areas such as serious and organised crime, counter terrorism, roads policing and uniformed operations, with a concurrent requirement to develop effective collaborative governance arrangements based on formal collaboration agreements.
- The continued operation of the West Midlands Violence Reduction Unit.
- The outcome of the postponed Comprehensive Spending Review and the impacts on funding for the policing of the West Midlands.
- The future implementation of a revised funding formula for policing will have implications on the level of resources available for policing services across the West Midlands.
- Impacts on policing from the United Kingdom's exit from the European Union.

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- The risks associated with achieving the police officer Uplift programme targets and ensuring the extra officers are deployed in priority areas across the Force.
  - The increasing role of PCCs in the Criminal Justice System, particularly following the new national policy for probation services.
  - The potential for national policing performance targets set by the National Policing Board, as these may cut across.
  - The continued implementation of an Estates strategy that was approved in March 2018. This includes the investment in new facilities and releasing vacant properties.
  - Commonwealth Games in 2022 and Coventry's City of Culture, including the Force's preparation for policing these events.
  - Working with the West Midlands Combined Authority on joint projects to assist in the prevention of crime in the West Midlands.
  - The duty to cooperate across police, fire and ambulance services.
  - Future change programmes that will improve further the efficiency of West Midlands Police.

## 11 Monitoring the Implementation of Actions

The systems the Commissioner has in place to monitor the implementation of the Police and Crime Plan through the delivery plan and the risk register will ensure activities detailed in this statement are implemented. Progress of the implementation of actions will be reported in next year's Annual Governance Statement.

### Signed

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