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AUDIT AND ASSURANCE BOARD (AAB) 21ST MAY 2024

ATTENDEES

Robert Light (RL)	AAB Chair
Gavin Stephens (GS)	NPCC Chair
John Campion (JC)	PCC West Mercia
Katy Bourne (KB)	PCC Sussex (From 12:00)
Gareth Wilson (GW)	CPOSA
Seonaid Taylor (ST)	Home Office
David Bowles (DB)	Independent Member
Phillip Golding (PG)	APCC
Louise Bailey (LB)	DARA Internal Audit
Sanjay Thakkar (ST)	DARA Internal Audit
Tracy Holyer (TH)	NPCC Head of Organisational Development & Change
Angela Connolly (AC)	NPCC Business Support Lead
Inderjit Malhi (IM)	NPCC Finance Committee Coordinator
Hannah Hart (HH)	NPCC Head of Strategy, Planning & Performance (online)
Padraig Twomey (PT)	NPCC Finance Analyst
Hayley Equi (HE)	NPCC Head of Communications (online)
Lorna Humphrey (LH)	NPCC Business Planning and Risk Officer
Nikki Butt (NB)	NPCC Senior ODC Manager (Presenter - Agenda Item 7.2)
Laura Debnam (LB)	NPCC ODS Project Manager (Observer for Agenda Item 5.2)
Elliot Sydney (ES)	NPCC Business Support Officer
Vicky Reay (VR)	NPCC Business Support Assistant (Minutes)

APOLOGIES:

Gemma Stannard (GeS)	NPCC Head of NPCC Strategic Hub
Lee Milton (LM)	NPCC Strategic Risk and Planning Manager
Andy Begent (AB)	NPCC Data Protection Officer
Claire Murray	NPCC Snr Organisational & Development Change Manager

1.) WELCOME AND INTRODUCTIONS,

AAB Chair (RL) declared the meeting open and reported that a new NED has been recruited who will be joining the September board meeting. RL also informed the meeting that there have been some slight changes made to the agenda that will enable the Board to focus on Strategic issues at the start of the meeting.

2.) APOLOGIES AND CONFLICT OF INTERESTS

Apologies – See above

Conflict of Interests

- No Conflict of Interests Reports were received

3.) PREVIOUS AAB MINUTES AND MATTERS ARISING

The minutes of the last meeting were agreed.

There are no matters arising.

4.) ACTION LOG

The Action Log was reviewed by the Board. Of the six items listed, all are complete apart from Item 97, which is ongoing due to a target completion date of Q3 2025. It was agreed that the five completed items could be discharged.

5.) STRATEGIC

5.1 CCC Report

The NPCC Chair (GS) reported that a short paper had been circulated in advance and commented that he would not go through all the bullet points in the paper but will pick out a few of the key items for discussion. These are as follows:

Preparing for Change in Government:

GS reported that there is a lot of dialogue ongoing with all concerned from Government and shadow parties and a workshop is due to take place that will look at the crime and justice policies with the Shadow Policing Minister. The NPCC is engaged with all the main political parties. Some have allocated more time and attention to policing matters than others but the offer of engagement stands and the same material is shared with all. There have been four briefings with the opposition on the strategic position of the police workforce, the strategic position on financial resilience on science and innovation, and on performance expectations and the purpose of policing. The workshop will focus on the use of data and technology to drive change, the state of the national policing infrastructure and culture, and standards and integrity.

There has been some work done to prepare for any change in government, titled 'The Agenda for Reform in Policing,' which was broadened out at Chief Constables' Council (CCC) in March. This looked at how the NPCC can reform themselves and what needs to change in the system. A series of chapters were allocated out for writing. The Hub team have been collating responses in terms of commentary on what forces want to see in policing for the future. This is being brought together into a position paper to be discussed at the extraordinary CCC meeting taking place on 11 June with a stakeholder engagement plan being developed. The document will either be used internally and in

briefings or stakeholder engagement or there may be the chance of speaking publicly about it if there is CCC agreement with a Comms plan to go alongside it, post the general election.

The Board raised questions whether there is engagement with the Home Office as a strategic partner in terms of:

- The change government, thinking on the cross-criminal justice system
- Crime and Policing policies
- Spending review

to which GS confirmed there is.

There is some work on the future counter terrorism structure, for example. GS reported that they have been working with colleagues in the finance teams on the financial resilience survey.

The Board raised the issue of future funding and what the timescales are for this. GS commented that they are continuing to work on the arrangements for future funding for the NPCC Hub., Central to any policing infrastructure, it is the NPCC view that there needs to be a stronger national centre. Some policy announcements have been made already on the commercial procurement side so the current form of Blue Light Commercial would either expand in remit or take on a stronger stance. GS said that this should be part of a central national Policing infrastructure with one function alongside a strong corporate centre. How these are hosted and governed and what the statutory basis is needs to be determined and matters for a future government but there needs to be a strong coordination between the different elements with the Hub central to this.

There have been some frank conversations with the Home Office on the hard work involved in securing a relatively small amount of money with many versions of Business Cases. There has been some new money which has come across to policing, some into local forces, some for projects and programmes which look across to the Hub for support in terms of HR, Finance, IT etc. and this is where the funding has been reduced. GS commented that there needs to be a way of working through this for the next year.

TH added that the Home Office is now recognising the importance of the Hub. They are having internal conversations as to where the NPCC funding should come from.

The route and sustainability of funding was discussed by the board with the preference for one single route of funding that needs, with a long-term funding stream, to increase efficiencies. National services need to be run from the centre and the line of governance needs to be clarified. There is a need to clarify what politicians want and how it is going to be delivered to ensure the funding follows.

GS commented that hosting arrangements may need to be looked at in the future. Some overhead costs for hosting projects and programmes have had to be added to support the national projects.

Update report:

GS commented on the publication of the Part 1 of the Angiolini inquiry, which is about the circumstances leading up to how Wayne Couzens murdered Sarah Everard as a serving police officer. There are a further two parts to be published: Part 2 - about the wider issues of policing culture, vetting standards etc. and Part 3 - about Carrick. Part 2 and 3 investigations are still ongoing with Part 2 expected to be completed towards the end of the year.

GS stated that Part 1 is a harrowing read and encouraged colleagues who had not already read the report to do so, particularly the victims' personal statements from the family and the comments from Lord Justice Fulford. The Officer concerned used his knowledge and policing powers to carry

out the offence with twenty years of police failures that led to that point. There was a succession of red flags which were missed. GS stressed the need to send a signal out to all that things are now different.

5.2 Section 22a) Review

TH presented on the S22a review and recognised the feedback that DB has submitted. The following points are in addition to the information detailed:

- Section 22a) document is now 95% complete. Once feedback has been received, there will be engagement with MPS legal services before going out to the relevant legal services from each signatory party. The intention is then to go out and commence the signatory process in June/July.
- RL recommended that the agreement needs to be future proofed as much as possible if it is going to take a lengthy time to get it approved.
- DB queried around the host authority and whether there is a shift in accountability. TH confirmed that this is not the case and the wording will need to be looked at.
- TH commented that there is now a template for section 22 produced by APACE which is aimed more at local services whereas this is national so will be reviewed.
- DB mentioned that they would like more openness and transparency, which they thought doesn't come through in the Section 22a) document. The word transparency appears just once, saying that the Coordination Committees must be transparent, but there is no mention that Chief Constables' need to be transparent. The publication of accounts is only published to the Police and Crime Commissioners (PCCs) and there are no requirements specified for the accounts to be published by the NPCC. There is not a place where the NPCC defines what they are going to publish and there should be overarching statements in the document about openness and transparency.

ACTION: TH to liaise with Legal with regards to the Host Arrangement responsibilities and to amend the wording to make it clearer

5.3 Medium Term Financial Plan and Associated Finance Policy Documents

IM presented and the following points are in addition to the information detailed:

- The Pay awards for the next three financial years are in line with what forces have in their own medium term financial plans.
- There has been a finance survey undertaken through the finance committee and jointly with NPCC and APCC. The pay award average is 2.5% which means about £8,900 to find for the new financial year. The submission from the NPCC is 6%.
- There needs to be a conversation with the Home Office regarding additional funding; if it is 4% then that means £70K needs to be found.
- IM commented that they were not expecting anything to be within the operating reserve for 24/25 as there is a £7.2 million gap in the operating budget for 2024/25. There was a review last year that brought them back in line for the operating budget with 0.13% in NRE contributions by forces. Efficiencies were sought throughout the programmes.
- The funding will reduce over the next three years. It will drop next year with programmes that are ending and will go up in year 3 due to the National Pensions Team asking for funding, currently being funded through a Home Office grant but which is due to end at the end of 2025/2026.

Questions were asked by the Board about 27/28 and whether the figure is likely to go up and IM replied that this was likely.

- A question was also raised on the earmarked reserves and the two legal ones that are provisions, and what the likelihood is for those being used. IM responded by confirming that the NPCC did have to go into the reserves both for this year and the previous year, remarking that the Covid public inquiry and the Undercover Policing inquiry had used up all the legal budget. Therefore, the decision was made to have some reserves to cover the extraordinary cases.
- A question was asked from the Board about when the dilapidation work would be resolved. IM commented that they hope that the work will be resolved by the end of quarter two and they are disputing some of the costs to bring these costs down further.

ACTION: IM to provide a short breakdown paper for the next AAB on the history of PCC contributions, what has been contributed by PCCs, what has been paid for and how that has varied over the years.

5.4 Benefits & Strategy Framework

TH presented and the following points are in addition to the information detailed:

- Giving the background for this item, TH reported that, at the last AAB, it was requested for the Benefits Strategy to be included with the plans to framework it into ways of working for the NPCC.
- TH commented that they are at the early stages of this work, looking at how to build their approach to benefits management into other ways of working both within the Hub but also across the committees. TH stated that it has been quite a challenge being able to articulate the benefits of the investment in change. TH also commented that this needs to be done in a pragmatic way as there are not sufficient resources to do this in an industrial way, so the aim is to build this into ways of working.
- With reference to the first of the four priority areas, TH informed the Board that this work is now underway. They have started to build Benefits Management upfront into all new projects and programmes that are being undertaking within the Strategic Hub of the NPCC and the plan is then to incorporate that into the wider projects and programmes that the NPCC have. This is also being linked to the forward management approach. The reduction in funding will have an impact to deliver this piece of work as fully as they would like and there will be the need to refine the approach to match their resources and target the key areas.
- The Board enquired whether they were linked in with the productivity review which TH confirmed they are, also confirming that there is a benefits network that links in with the College.

6.) DELIVERY

6.1 NPCC Quarterly Statement & Reserves Position End of Year

LH presented slides as part of this agenda item and questions below are in response to these:

- The Board raised questions about the Pension reserve disbursement to forces, which has been put on hold, and raised a question as to what the timescales were on this. PT commented that they are meeting with the budget holder to finalise what they have got forecasted in for the Pension remedy solution. There is quite a bit of work involved with

legal costs within their forecast. Once finalised, they can disperse the balance, which is around £900k, out to the 43 forces and the timeframe for this is July 2024.

- There was also a question asked about the VAWG underspend. PT clarified that there was PCC funding provided to the VAWG team that was not utilised and was, therefore, returned to the operating budget. A member of the Board queried why the underspend was not highlighted in the report and requested the need for transparency on the underspends. GW highlighted that the movement on VAWG spend was detailed in the main paper provided to the Board. Members discussed they would like to see more transparency on movement of underspends so PCCs can see where the contributions have been utilised.
- Other questions raised were on the reserve funding and whether the NPCC can draw down less from the reserves as a result of underspends. PT commented that this could be monitored by looking at expenditure verses budget. The reserves allow for flexibility operationally.
- The Board also asked about when the money is paid over by the Home Office or from the PCCs and what is the status of the money at the point of it being transferred over? Additionally, the question was asked whether the NPCC have to go back to that body if the money is going to be potentially utilised for something else? GS responded that, on the Home Office side, grant agreements are in place and there are a set of grant criteria made against the grant agreement. Prior to the establishment of the Operating Budget, each request for expenditure had to come for approval. It was agreed at a previous Chiefs' Council that this was not practical as expenditure requests would come in at all different times of the year and, therefore, it was impossible to plan. The NPCC National Operating Budget was then established meaning each force giving a percentage of NRE to the budget (0.13%). This means that there is no need to keep going back and forth for agreement in order to allocate resources needed to solve national issues or to deal with unexpected requests, such as changes in misconduct and vetting arrangements, for example. GS stated the need to continue with this system and not to move back to individual approvals but understood the point about transparency. It was suggested and there was agreement from the Board about producing a report to show these movements and to increase transparency.

ACTION: PT to provide a report to clearly show the movement of funds from underspends in Home Office/PCC grants to reserves in order to be used for a purpose that it was not originally intended.

6.2 Annual Delivery Report

LH presented slides as part of this agenda item and the points below are in addition to these:

- RL asked for clarification on the term 'Carried Forward' used in the slide presentation. LH stated that these were actions that had been started but not completed due to the fact that were actions in the objective that were still outstanding.
- RL then queried the 'On Track' actions and asked if these were measured against an expected target for completion and how we ensure that, for example, in a measure that was marked as 80% 'on track' or complete, that the 20% outstanding was not the most important part of the measure. LH confirmed that these were measured against an expected target and assured the Board that the current governance structure and forums for each of the committees continually review the target dates and status of the objectives and, if there are delays, look to discover the reasons for these. GS added an overview of the committee structure stating that each of them are chaired by an experienced Chief Constable and are, therefore, robust. GS continued to say that it is probable that the number of delivery objectives will be reduced from the current 811. GS then highlighted the Strategic Planning and Coordinating Board that sits above the committees to help do the cross-cutting activities and escalate issues to Chiefs

Council, when required, or to the Strategic Policing Partnership Board. RL looked for assurance that, in a snapshot, the Board can have confidence in both the actions completed and those that need oversight. LH explained that they will be combining the Benefits work with the Benefits Framework to provide this and TH added that, as part of the evolution of this, a narrative will be built in to provide explanation.

6.3 ICT Contract

TH presented slides as part of the agenda item, explaining that they were not originally sent out in the papers due to the evolving nature of the contract, and the following points are in addition to the information detailed:

- Contrary to what was detailed on the slide, there will be no Mayor's Office for Policing and Crime (MOPAC) process in July so the next submission date will be in August if we do not make the 19th of June deadline.
- JC questioned how the relationship between NPCC and MOPAC on final decisions and if MOPAC could override the decisions of chief officers. It was explained that as the NPCC are not a statutory body, the contract needs to be held and signed by MOPAC and they do want to have input. However, most processes and contracts do not go directly up to MOPAC and we liaise directly with people like the Head of Professionalism or the Assistant Commissioner, as well as MPS Commercial, but MOPAC processes do have to be followed but there have been very few conflicts but it can affect the speed at which things are achieved.
- A question was asked about how long the contract with PDS is currently and what the process will be when it expires. TH answered that it was currently 12 months, done as an extension of an existing contract and that there was no expectation of another rollover. PDS will need to bid again when the contract is put out to tender, where the best supplier who can meet our needs.
- PG asked what the value of the contract was. The information was not to hand at the time of the meeting but will be provided.

ACTION: TH to provide to the board the figures for the value of the ICT contract with PDS

6.4 Annual Media & Communications Report

HE presented and the following points are in addition the information detailed:

- RL sought assurance from GS that the Comms Team were providing the right support and GS confirmed this and took the opportunity to thank the Comms Team for the progress made with the levels of engagement both with Government partners and Force Heads of Communications.
- KB asked how public confidence is being measured. HE answered that individual forces do their own measuring but identified a gap in something available to measure this nationally. In addition, a survey has been done by the Home Office on public confidence, both in terms of qualitative and quantitative work, and we are awaiting the results of that but there is a lag in getting the data back. GS added that he had commissioned a piece of performance analysis in response to the national headline 'Confidence Hanging by a Thread' and to try and describe that there is a difference between national polling on confidence in the institution of policing and confidence in local policing at force level, whereby some forces do not measure at local level anymore. It identified that there was a difference, and the challenge now exists to act collaboratively to drive the local improvement so that it impacts a change in national reputation.
- KB also sought assurance that the NPCC Comms team was collaborating with the APCC Comms Team, particularly with the upcoming summit. HE confirmed that there is a weekly call for all partners across the criminal justice system, which the Association of Police and Crime

Commissioners (APCC) attend, and we are fully aligned. KB offered the opportunity for the NPCC Comms to visit the local PCC Comms team in Sussex to see how they measure public confidence, and HE thanked KB and will consider the opportunity.

7.) AUDIT AND RISK

7.1 DARA Internal Audit Update

LB updated the board on the Internal Audit Update and the following are the points that were raised:

- Work had commenced on the issues raised in the completed Review of Financial Management; report included in the papers. One of the highlighted issues, training, had commenced prior to the completion of the report but needed to embed into processes going forward. The other point highlighted, Financial Reporting and a review of the reporting framework, has already been discussed in Agenda Item 5.3.
- A review of Programme/Activity Governance had commenced on work that is funded from the operating budget. Two activities were highlighted - the Freedom of Information Unit and the Volunteer Police Cadets Safeguarding Unit – looking at their governance and how it links to the NPCC oversight and Coordination Committees and delivery plans.
- With regards to the Section 22 process, this review has also highlighted there are old agreements in need of review.
- This work is also being performed with the National Police Coordination Centre (NPoCC) meaning that there may be opportunities for streamlining in terms of value for money and efficiency.

7.2 DARA Recommendations Tracking Update and Security Assurance for Policing (SyAP)

NB presented slides as part of this agenda item and the following points are in addition the information detailed:

- With regards to the SyAP scores, the NPCC is below target level but above the national average on all of the five measures, with Protect being very close to hitting the target.
- PG commented that it would be a good idea that the NPCC and APCC work together on Information Assurance

7.3 NPCC Quarterly Risk Update

LH presented slides as part of this agenda item and the following points are in addition the information detailed:

- It was explained that some of the information provided in the slides and paper pack, particularly the Appendix containing information on risk that groups them in a strategic and thematic level, was developed for Chief Constables' Council and is being included for AAB to give visibility.
- The new risks added to the pack were highlighted and are as follows:
 - Initiation of Hub Activity/New Work that includes commissioning, understanding demand and setting hub-wide standards for initiating and agreeing work
 - SharePoint Legacy and Access Management that links in with the DDaT Delivery Group
 - Impact of transition and the effects in terms of data and technical integration
 - Hub growth in terms of services and capability with a need to capture processes
 - DLRP Hub Delivery Requirements
 - Low Risk Data Breaches that were introduced due to the frequency of them happening in a specific area of the hub and to look at ways to stop them happening or reduce their impact

- LH invited the board to continue to provide any feedback or items they feel that the team should be considering

8.) UPDATES

8.1 Home Office Grant Governance Reporting

This information was included in the paper pack and raised no comments or queries.

9.) ANY OTHER BUSINESS (AOB)

RL highlighted the AAB workshop, due to take place on 2nd October 2024, and the two main topics to be covered, which were:

- Financial Reporting, how it should be done and how it interfaces publicly
- Assessing Risk in terms of how we assure ourselves about the risks facing the organisation and what sort of risk appetite do we want for this body and what we can advise to the Chiefs Council as the AAB

JC thought other topics to be considered for the workshop would be around the transparency issues discussed previously in the meeting and also the MTFP particularly with the potential of a new government with different policies in place allowing more focus on the medium term view.

GW raised the point about the volume of papers sent out for this meeting and getting the balance between too much or too little detail. RL answered that we are looking at refining and reducing the pack further for the next meeting to only provide what was needed. JC felt that what was needed was a strategic summary with the detail then being provided by the NPCC members attending the meeting. GW added that, as the NPCC was now a mature organisation, the board needed to step back on some issues, trusting the right levels of review, tracking and reporting are in place, and focus on other areas that had not been looked at before.

Finally, during discussions about the date and location of the workshop, it became clear that the 8th of October 2024 was no longer a viable date. Therefore, ES to liaise with RL and GS, as a start point, to find new dates and then put these out to the members for a consensus.

ACTION: ES to liaise with RL and GS to find new date(s) for AAB Workshop to be held in October

RL then thanked all the attendees both in the room and online and closed the meeting.