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Report to the Thames Valley Police & Crime Panel

PCC GOVERNANCE ARRANGEMENTS FOR THE OVERSIGHT AND SCRUTINY OF MAJOR FORCE PROJECTS (DRAFT)

1. Introduction

This purpose of this document is to set out the governance arrangements by which the Police and Crime Commissioner (PCC) can exercise effective oversight, scrutiny and challenge, where necessary, of the management and delivery of major Force projects, including projects undertaken in collaboration with other forces and/or public and private sector partners.

The type of major projects covered will include all projects requiring PCC approval – whether under the requirement of a S22A Agreement or in accordance with Thames Valley Police (TVP) Contract Regulations.

For avoidance of doubt, this document is not intended to provide a project management framework or best practice guidance – that has been addressed by the Force – but rather is focused on setting out a ‘good governance’ framework within which the PCC and Chief Constable can conduct and discharge their respective statutory roles and responsibilities effectively.

2. Statutory roles and responsibilities of the PCC and Chief Constable

PCCs are not expected to run the police. The role of the PCC is to be the voice of the people and to hold the police to account on their behalf.

The Police and Crime Commissioner (PCC) has responsibility for the ‘totality of policing’ within their Force area. However, this does not confer on the PCC the ability to give operational policing directions. The Chief Constable has direction and control over the Force’s officers and staff. The Chief Constable, their constables and staff are operationally independent; the PCC must not fetter the operational independence of the Force or the Chief Constable who leads it.

The primary function of the PCC is to secure the maintenance of an efficient and effective police force for the communities of Thames Valley and to hold the Chief Constable to account for the exercise of his functions and those of persons under his direction and control. The PCC also sets the strategic direction for the Force through the Police & Criminal Justice Plan.

Within the context of the governance of major Force projects, the role of the PCC is essentially to approve scheme business plans (including timescales, service deliverables and benefits, success measures, budget allocation, VFM parameters, risks, etc). On the other hand, the role of the Chief Constable is to ensure successful delivery of the project within the resources allocated for it (e.g. budget, staff and time).

To provide context, the respective statutory roles and responsibilities of the PCC and Chief Constable, based on the requirements of Police Reform and Social Responsibility Act 2011 and The Policing Protocol Order 2011, are summarised at Appendix 1.

In brief, the expectation of The Policing Protocol is that the principles of goodwill, professionalism, openness and trust should underpin the relationship between all parties to make the relationship work.

3. Report Objectives

Within the context of the respective statutory roles and responsibilities of the PCC and Chief Constable,

- To improve the governance arrangements relating to the management and delivery of major projects.
- Defining the respective responsibilities of the PCC and Chief Constable, in accordance with The Policing Protocol Order 2011.
- Improving arrangements to support the PCC's effective oversight and scrutiny of the Force's performance regarding operational management and delivery of major projects (including projects managed in collaboration with other forces/partners),
- Including within the governance arrangements the need to clarify responsibility for different aspects of the project, to help define the respective responsibility boundaries of the PCC and Chief Constable at the outset of any project, and
- Improving the ability of the PCC to hold the Chief Constable to account in a timely and appropriately informed way.

Ultimately, the purpose of these governance arrangements is to set out a framework that acknowledges the respective statutory roles and responsibilities of the PCC and Chief Constable, and to clarify the PCC's expectations in terms of how he may approve project schemes and budget allocations and how he may hold the Chief Constable to account for project delivery.

4. Background – Recent Major Projects - Key Lessons Learned

Following challenges in the past with two major organisational change projects underpinned by the development and implementation of complex ICT systems, shortly after coming into post the PCC commissioned a review of the governance arrangements, specifically, how the PCC holds the Chief Constable to account for the management and delivery of major Force projects.

Following the conclusion of the above two projects, the Force prepared 'End-of-Project Closure Reports' which identified project management, governance and delivery 'lessons learned', and necessary remedial action to address weaknesses identified.

Those findings and lessons learned have been taken on board in this document, where relevant, insofar as they relate to governance arrangements that will enable the PCC to exercise effective oversight and scrutiny of a major Force project and, thereby, hold the Chief Constable to account.

The key lessons learned were as follows:

- Both of the major projects referred to above were pursued under collaborative arrangements with other forces, and adopted a high risk approach of seeking to deliver large, complex, heavily integrated new systems in a single delivery across multiple forces.
- ‘Mission creep’ – business needs and system requirements were subject to change, after the initial business cases were approved, and supplier contracts extended, at extra cost to the Force, without appropriate robust challenge.
- ‘Continuation Bias’ – due to the scale, costs incurred and criticality to future service delivery of the projects, the default decision was to seek to continue with the projects, even in the face of clear evidence that the projects could not achieve the original outcomes, timescales and cost/savings targets set out in the approved business cases.
- ‘Optimism Bias’ – inherent presumption that planned and approved project costs, savings, timescales and deliverables will be achieved.
- No clearly defined pre-project governance processes for the relevant PCCs to follow re performance scrutiny, evaluation and decision-making, e.g.
 - Project performance and delivery measures, including key milestones and continuation/cancellation decision ‘trigger’ points, were not clearly defined or adopted.
 - No contingency plans in place in the event of indications of potential project delivery failure.
- Accountability ‘style & culture’ – PCCs and Chief Constables jointly exercising project oversight and scrutiny on ‘same side of the table’ at project Governance Board meetings, i.e. joint operational decision making (post-business case approval and post-contract award) compromised the PCC’s independence and ability to hold the Chief Constable to account for project management performance.
- New proposed project business cases, and refreshed, updated business cases, not robustly challenged regarding the assumptions made about achievable cash/non-cash savings and associated service risks, especially before any project ‘gateway’ decision.
- Large projects with long term development cycles were not required to undertake, as a matter of routine, periodic independent ‘health-checks’, including validating/re-evaluating functionality and/or service improvement specifications, project delivery timescales and costs and cash savings estimates, as part of updating the business case to check for ongoing validity.

5. Risks to be mitigated by effective PCC project governance arrangements

The major project governance framework is designed to mitigate the following risks:

1. Without a robust procedure, templates or framework in place, there is the potential for a lack of clarity or inconsistencies in oversight arrangements.
2. Should effective governance arrangements not be applied, the PCC could lack the necessary information or assurance on programme delivery.
3. If pre-programme reporting requirements and approvals are not clarified, necessary or timely decisions may not be taken.
4. Should decision making points not be defined, incorporating project milestones, decision gateways, service deliverables and outcome success measures, there could be a lack of programme approvals or challenge taking place.
5. Without clear ongoing reporting and assurance arrangements in place, there may be a lack of review and awareness around programme progress.
6. Should open, honest and transparent communications not occur, incorrect or untimely decisions / approvals may take place.
7. Without assurances on the effectiveness of the programme performance management culture, there may be a lack of accountability, leading to programmes being delivered over time, over budget or out of scope, with the consequential reputational risk to the PCC and Force.

6. Proposed PCC governance arrangements for the oversight and scrutiny of major Force projects

a) Governance Framework – Key Principles

PCC governance arrangements will take into account the following principles:

- The Chief Constable holds TVP officers and staff to account for the management and delivery of a TVP operational policing project.
- The PCC holds the Chief Constable to account for the successful delivery of a TVP major project (not the PCC and Chief Constable jointly holding TVP officers, staff and/or partners to account).
- All major programmes should ensure governance roles and specific responsibilities – including those of the PCC(s) and Chief Constable(s) – at all key stages of the project are clearly documented and accepted by all partners.
- Notwithstanding the above, the PCC retains a duty to exercise oversight of the performance of the Chief Constable and the Force, even on operational policing matters, as part of his ‘holding the Chief Constable to account’ duty.
- Where TVP is a partner in a collaborative major project, project management and delivery performance will be monitored under the auspices of a Governance Board and governance arrangements as set out within a S22A Agreement. Nevertheless, the TV PCC will hold the TVP Chief Constable to

account for successful operational delivery of the project in terms of use of resources allocated to the project by the PCC for Thames Valley and successful delivery of the planned service benefits of the project as applicable to TVP and the communities it serves.

- Performance management culture - PCC process for 'holding Chief Constable to account' needs to be transparent and meaningful in order to facilitate cascade of 'accountability culture' down ranks of TVP.

b) Project Decision-Making

- Clear, up-front, robust Business Case (including risk & sensitivity analysis)
- Jointly agreed project 'Review' / 'Gateway' / 'Trigger' points and decision criteria to be established in advance of project commencement (e.g. per scale / risk of project, agreed milestones, deliverables and reporting timetable)
- Consideration should be given during the preparation phase of all major projects for an exit strategy to be developed, including as necessary and appropriate key decision points and contingency plans, to be jointly agreed by the PCC(s) and Chief Constable(s).
- Respective PCC / Chief Constable decision-making responsibilities) to be agreed in advance of project commencement.

c) Pre-Project Business Case Approval

- Business case parameters and project performance reporting requirements to be defined and jointly agreed by PCC and Chief Constable

e.g.

Objective criteria:

- scope
- costs / approved budget allocation
- timescales
- project milestones and decision gateways
- risks and mitigation activities
- planned quantifiable service benefits to be delivered
- planned financial benefits to be delivered

Subjective criteria:

- public priority of service benefits to be delivered
- public impact & interest
- political sensitivity

d) Project Performance Reporting Requirements

- Regular project performance and delivery reports to be received from Chief Constable at PCC-CC Liaison Meetings (informal, as necessary) and formally at Performance & Accountability Meetings (PAMs), addressing progress on planned outcomes of projects (detail to be jointly agreed)
e.g.
 - Project costs / funding
 - Review of estimated deliverable savings
 - Project delivery timescales,
 - Operational / organisational benefits identified, planned and delivered
e.g.
 - organisational metrics - budget / workforce / asset management
 - VFM - economy/effectiveness/efficiency metrics, etc
 - Service benefits to public identified, planned and delivered
e.g.
 - local crime performance metrics
 - National Crime & Policing Measures
 - SPR compliance
 - Project forecast variations and reasons
e.g.
 - costs, funding, timescales, scope
 - contingency arrangements and operational / strategic risk mitigation measures
 - Risk register and risk mitigation plans.
- Routine & regular project delivery performance reporting to be established to facilitate accountability based on 'exception reporting', e.g. the Chief Constable reporting to the PCC actual or significant risks of material variances from the approved project scheme and budget, reasons why, and what mitigating actions are to be taken/options to be considered that may be dependent on PCC approval.
- In addition to the above regular performance reporting requirements, any planned project 'trigger' and/or 'Gateway' decision points requiring PCC consideration and approval will need to be reported to the PCC, as necessary and appropriate and, in any event, in accordance with approved project timescales.

NB

Oversight and scrutiny arrangements in respect of major force projects managed and delivered in collaboration with other forces (and PCCs) will also be subject to the governance requirements of the relevant S22A Agreement.

e) Project Delivery Assurance Arrangements

PCC expectations and project reporting template to be developed and agreed in advance of each major project, allowing for flexibility in reporting requirements, as necessary and appropriate, depending on scale/complexity/risk of project.

Reporting and assurance arrangements to incorporate:

- Demonstrable compliance with PCC/TVP Joint Corporate Governance Framework / S22A Agreement governance requirements (as necessary and appropriate).
- TVP Transformation Board and/or Joint Dep. Chief Constables' Collaboration Board – internal Force monitoring of delivery of major project (but with OPCC oversight).
- In respect of major projects delivered in collaboration with partners, the governance arrangements and requirements of the relevant S22A Agreement.
- Risk registers (Force and OPCC).
- Audit reviews and reports, findings and recommendations (internal and external audit).
- TVP service and project management monitoring reports

NB

Performance management and delivery assurance parameters as well as PCC reporting requirements, particularly in respect of highly technical projects, need to be defined by those responsible for governance of the project, as opposed to those technical experts responsible for delivery of the project.

- A 'Non-Executive Director' role to be appointed on the Governance Board of major projects / programmes, when appropriate, to provide independent oversight, constructive challenge to Board members, acting on behalf of and providing advice to the PCC(s) and CC(s), individually and jointly as necessary and appropriate, to enable both parties to discharge their respective statutory functions and responsibilities effectively.
- PCC-CC Liaison Meetings.
- PCC Performance and Accountability Meetings.
- Audit Committee - joint reporting requirement (within context of respective responsibilities per The Policing Protocol Order).
- Police and Crime Panel - timely provision of information and support from Chief Constable to PCC.
- Agreed standard template reporting requirements for end-of-project 'lessons learned' report.
- Joint Protocol to be developed between the PCC and Chief Constable regarding the PCC's ability to have informal direct access to TVP Senior Responsible Officer (SRO).
- Remedial arrangements for addressing inadequate performance / project delivery to be established and agreed in advance between PCC and Chief

Constable to facilitate effective and visible 'holding to account' culture within the Force.

7. Summary

The above framework will facilitate a consistent approach and understanding of the PCC's expectations regarding the management of major Force projects. This will help set out in advance the 'holding to account' scrutiny framework and performance assessment criteria that will be applied including, for example, that the Force has complied with its own internal governance requirements (e.g. Joint Corporate Governance Framework; approved budget estimates; Procurement Policy and Procedures, etc).

APPENDIX 1

Respective statutory roles and responsibilities of the PCC and Chief Constable

The PCC must secure the maintenance of an efficient and effective police force for the communities of Thames Valley, and hold the Chief Constable to account for the exercise of his functions, and those of persons under his direction and control.

The respective statutory roles and responsibilities of the PCC and Chief Constable, based on the Police Reform and Social Responsibility Act 2011 and The Policing Protocol Order 2011, are summarised below:

1. The PCC is accountable to the electorate of the Thames Valley for securing the delivery of an efficient and effective police service.
2. The PCC provides the link between the police and the communities of Thames Valley, drawing on his mandate to set and shape the strategic policing and crime objectives for the Thames Valley area, in consultation with the Chief Constable.
3. The PCC works to translate the legitimate desires and aspirations of the public into action and report back to communities on his own and the performance of the Force.
4. The Chief Constable exercises operational independence, being accountable to the law for the exercise of operational police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the Force.
5. The PCC and the chief constable operate, individually and jointly, in accordance with the six principles of good governance and the locally agreed Joint Corporate Governance Framework, and abiding by the Nolan Principles.
6. The PCC and the Chief Constable to have an effective and constructive working relationship that serves to enhance local policing for the Thames Valley communities.
7. The PCC and the Chief Constable to work together in a way that is collaborative and co-operative, affording each other reasonable, appropriate and timely access to staff and information that will enable both to carry out their respective functions effectively.
8. The PCC and Chief Constable to work collaboratively with other partners, where this will improve the efficiency or effectiveness of policing and, where this relates to the functions of the police force, both parties are in agreement.
9. The Chief Constable to provide professional advice and recommendations, and exercising direction and control over staff, in a way that will assist the PCC in the exercise of the PCC's own functions.