

JOINT INDEPENDENT AUDIT COMMITTEE

MONDAY, 16 NOVEMBER 2020, 14:00

MICROSOFT TEAMS CONFERENCE

AGENDA

OPEN SESSION

- 1. INTRODUCTION**
- 2. DECLARATION OF INTEREST**
- 3. MINUTES OF THE OPEN SESSION OF THE JOINT INDEPENDENT AUDIT COMMITTEE 24 AUGUST 2020**
(Attached)
- 4. MATTERS ARISING**
(Action list attached)
- 5. REVIEW INTO THE ROLE OF POLICE AND CRIME COMMISSIONER – STAGE I**
OPCC Chief of Staff and Monitoring Officer
(Verbal update)
- 6. AUDIT COMPLETION REPORTS (CC & PCC)**
External Audit Manager
(Paper attached)
- 7. MID YEAR TREASURY MANAGEMENT REPORT**
Head of Finance
(Paper attached)
- 8. EMERGENT AUDIT PLAN**
Internal Audit Manager
(Paper attached)
- 9. SUMMARY OF RECENT EXTERNAL INSPECTION REPORTS**
Head of Corporate Development
(Paper attached)
- 10. JOINT STRATEGIC RISK REGISTER**
Head of Corporate Development
(Paper attached)
- 11. DATE AND TIME OF NEXT MEETING**
TBC.

12. EXCLUSION OF THE PRESS AND PUBLIC – EXEMPT BUSINESS

The Committee is asked to pass a resolution to exclude the press and public from the meeting during consideration of the following items on the grounds indicated.

Agenda item number	Paragraph of Schedule 12A to the Local Government Act 1972
13	7
14	7
15	7
16	7
17	7
18	7
19	7

NORTHUMBRIA POLICE MINUTES

Title Joint Independent Audit Committee (JIAC)	Meeting number 03/2020
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Date 24 August 2020	Location WebEx Video Conference	Duration 14:00 – 15:55
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Present:

Committee Members	N Mundy K Amlani P Angier J Guy P Wood	Chair
Officers:	R Durham D Ford P Godden M Tait	OPCC Chief of Staff and Monitoring Officer Deputy Chief Constable Head of Corporate Development Department Joint Chief Finance Officer
Invitees:	R Bowmaker J Greener G Thompson C Waddell R Rooney	Internal Audit, Gateshead Council Senior Manager, Mazars Principle Accountant, Finance Department Partner, Mazars Governance and Planning Adviser (<i>Secretary</i>)
Apologies:	J Greener K Laing	Senior Manager, Mazars Head of Finance Department

OPEN SESSION

1. INTRODUCTION

N Mundy welcomed all to the meeting.

2. DECLARATION OF INTEREST

No additional declarations of interest were declared.

3. MINUTES OF THE OPEN SESSION OF THE JOINT INDEPENDENT AUDIT COMMITTEE 21 JUNE 2020

Minutes agreed as a true and accurate record.

4. MATTERS ARISING

Action list updated.

5. ANNUAL GOVERNANCE STATEMENT 2019/20

a. Review of Effectiveness of Internal Audit

R Bowmaker commented the assessment of the effectiveness of the JIAC was previously agreed at the Joint Police and Crime Commissioner (PCC) and Chief Constable Governance Group (JGG).

The report highlighted both the PCC and Chief Constables system of internal audit is operating effectively.

Update noted.

b. Internal Audit Annual Report

R Bowmaker updated the position of three outstanding audits within the Appendix. R Bowmaker advised the Creditors audit is now complete with an opinion of operating well issued. Concerning the Budget Control and ICT Security audits, R Bowmaker updated these are both in their final stages, with no known issues highlighted.

N Mundy thanked all involved for adapting to challenges presented as a result of COVID-19, and commented the general position of Northumbria Police is favourable when compared with other forces.

Update noted.

c. Senior Managers Assurance Statement

R Bowmaker stated all statements provided assurance that effective controls are in place; software is in the process of being implemented to resolve 95% agreement that effective controls are in place regarding data quality and performance management processes. J Guy queried timescales for implementation of the software; D Ford advised there have been delays, however completion is anticipated for January 2021.

N Mundy queried discrepancies between risks identified in the Joint Strategic Risk Register (JSRR) and the assurance statements; M Tait advised assurance statements are aligned with the annual audit plan. D Ford confirmed there is a gap in understanding regarding data quality; work is ongoing with Senior Managers to prepare business plans and ensure there is an effective understanding of risk.

Update noted.

d. Primary and Thematic Assurance Review 2019/20

M Tait outlined the areas of thematic assurance for 2019/20: business planning; partnership arrangements and governance; ICT arrangements; fraud corruption and money laundering; and wellbeing. M Tait confirmed all thematic areas were agreed at the JGG.

J Guy queried inclusion of modifications to business planning and partnership arrangement assurance statements as a result of COVID-19; P Godden confirmed this would be included within the 2020/21 statements.

i. Governance Arrangements

Update noted.

ii. Financial Control – An assessment of the role of the CFO in accordance with best practice

M Tait confirmed the assurance statement recognises any potential conflict of interest in appointment of a joint CFO.

Update noted.

iii. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and Other External Inspectorates

N Mundy referred to the online session held with HMICFRS Liaison Lead, the Executive Team and the JIAC Committee, highlighting it has an important opportunity for the JIAC to discuss and provide input to the development of the HMICFRS monitoring portal and improvement in provision of policing information to the public.

N Mundy advised to ensure transparency, the assurance statement should explicitly reference the grading received from HMICFRS in the recent PEEL inspection.

Action: P Godden to revise the assurance statement to include HMICFRS PEEL grading.

N Mundy thanked those involved for time spent in refining the process for presenting HMICFRS updates to the Committee.

Update noted.

iv. Legal and Regulatory Assurance

Update noted.

v. Risk Management Arrangements

Update noted.

vi. Performance Management and Data Quality

Update noted.

6. JIAC ANNUAL REPORT

N Mundy highlighted discrepancies in figures quoted for overall COVID-19 deaths in the UK; he confirmed following recalculation of daily death figures by Public Health England (PHE), the report should state over 41,000 deaths, not 46,000.

Action: JIAC Annual Report to be amended to accurately reflect the number of deaths as a result of COVID-19.

7. SUMMARY OF RECENT EXTERNAL INSPECTION REPORTS

P Godden presented the update outlining revisions made to the Appendix to better reflect the RAG rating of each outstanding recommendation and area for improvement (AFI) and expected delivery date. N Mundy thanked the Force for the opportunity to meet with HMICFRS Liaison Lead.

Concerning the thematic 'Call For Help' inspection report, N Mundy noted Northumbria Police are mentioned within for shortcomings in assessing vulnerability. D Ford confirmed the inspection is 18 months old; PEEL recommendations superseded the report and reflected concerns raised within the 'Call For Help' report.

D Ford provided an overview of activity taking place within the Communications Department to address PEEL findings regarding assessment of vulnerability; of note, new systems are to be implemented which will allow for easier and more efficient assessment.

J Guy advised the overarching report should make reference to the mention of Northumbria Police in the 'Call For Help' inspection for transparency purposes. R Durham highlighted the PCC has shared concerns with HMICFRS regarding potential damage to public confidence as a result of the report reflecting an older position and not considering the breadth of work which has taken place in the interim.

N Mundy praised the ongoing activity to address HMICFRS AFIs and recommendations.

8. JOINT STRATEGIC RISK REGISTER (JSRR)

P Godden presented the JSRR advising it has been revised and Northumbria Police and OPCC risks recorded separately. Committee Members welcomed changes to the JSRR noting its improved readability and functionality in managing risks.

J Guy suggested a number of revisions to enhance risk recording: inclusion of the continued gathering of financial intelligence through attendance at meetings for Risk 1 - Finance; to reflect any considerations as a result of COVID-19 within Risk 8 - Partnership and Collaboration; to include continued training and development of staff within Risk 9 – Public Confidence; and to consider wording regarding abuse of authority problem profiles, also within Risk 9.

Action: P Godden to consider comments made by J Guy regarding amendments to the JSRR and revise as appropriate.

Concerning Risks 3 and 4, N Mundy commented when an improved position can be expected. D Ford advised work is ongoing to implement systems; a number of projects are running through the Force Transformation 2025 program to support implementation of new ICT systems, however the risk status remains high as current systems will be replaced and benefit realisation required.

D Ford confirmed all ICT change projects have a risk management process attached to them. N Mundy commented it may be of benefit to provide a position update at a future JIAC to ensure any risks are mitigated effectively.

Action: D Ford to update on implementation of ICT systems at a future JIAC.

9. EXTERNAL AUDITORS UPDATE

C Waddell updated on external audit work; draft accounts are awaited, the deadline for which is 31 August 2020. An update was provided regarding the McCloud judgement; revised judgements have now been received which have impacted liabilities for policing.

C Waddell noted Value For Money (VFM) work has concluded; an unqualified VFM conclusion will be proposed. C Waddell highlighted a draft report will be provided to members as soon as it is available; it is anticipated this will be in advance of the November JIAC.

10. DATE, TIME AND VENUE OF NEXT MEETING

Monday 16 November 2020, 2pm, Venue TBC.

AGENDA ITEM 4

SOURCE Meeting / date / minute ref.	ACTION	ASSIGNED TO	UPDATE Cleared or update
03/2020 Minute 6	<u>JAC ANNUAL REPORT</u> To amend report to accurately reflect the number of deaths as a result of COVID-19.	Governance and Planning Adviser	Report amended. Cleared
03/2020 Minute 8	<u>JOINT STRATEGIC RISK REGISTER</u> To consider comments made regarding amendments to the risk register and amend as appropriate.	Head of Corporate Development	Comments made by members at the last meeting have been considered. Cleared.
	To update on implementation of ICT systems at a future JAC.	Deputy Chief Constable	Added to forward plan. DCC confirms an update will be provided at a later date. Cleared.

JOINT INDEPENDENT AUDIT COMMITTEE	16 NOVEMBER 2020
TREASURY MANAGEMENT MID-YEAR REPORT 2020/21	
REPORT OF THE JOINT CHIEF FINANCE OFFICER	

1. Purpose of the Report

- 1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that those charged with governance and scrutiny receive regular updates on Treasury Management activities. This report presents the mid-year performance up to and including 30 September 2020 for scrutiny.

2. Recommendation

- 2.1 The Committee is asked to review the Treasury Management Mid-Year Report and approve for presentation to the Police and Crime Commissioner (PCC).

3. Background

- 3.1 The mid-year performance of the Treasury Management service is reported in-line with CIPFA's Code of Practice for Treasury Management and the Treasury Policy Statement and Strategy.

4. Summary

- 4.1 The Treasury Management mid-year report is attached at Appendix A. The key highlights are as follows:

- The two emergency cuts to Bank Rate in March 2020, due to the Covid pandemic, have impacted on both investment interest and borrowing charges.
- Borrowing interest is forecast at £2.888m for the year which is £0.282m under budget. The reduced forecast for interest on short-term market loans reflects both the reduced interest rates following the two cuts to Bank Rate in March 2020, and a lower borrowing requirement for the year due to reduced spending against the capital programme.
- Investment interest is forecast at £0.140m, a shortfall of £0.115m against the budget set for the year. Investment returns fell sharply following the two cuts to Bank Rate in March 2020 however the resulting shortfall in investment income remains more than offset by the reduced costs of temporary borrowing described above.
- The mid-year report includes an update on the investment held by the former Police Authority with Heritable Bank. A final dividend of £0.050m has been

received in 2020/21, and is to be recorded in the accounts of the PCC as investment income.

- There were no breaches of prudential indicators or counterparty limits.

5. Considerations

5.1

Freedom of Information	<i>Non-exempt</i>
Consultation	Yes
Link Asset Services (Treasury Management Advisers)	
Resource	No
There are no additional financial considerations arising from this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	Yes
To be reported to the PCC in line with The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code).	
Evaluation	No

Treasury Management Performance to 30 September 2020

I Purpose of the Report

- 1.1 The purpose of this report is to summarise Treasury Management performance for the six months to 30 September 2020.

2 Background

- 2.1 The mid-year performance of the Treasury Management service is reported in-line with CIPFA's Code of Practice for Treasury Management and the Treasury Policy Statement and Strategy 2020/21 to 2023/24.
- 2.2 The PCC operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the Treasury Management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 2.3 The second main function of the Treasury Management service is the funding of the PCC's capital plans. These capital plans provide a guide to the borrowing requirements of the PCC, essentially the longer term cash flow planning to ensure the PCC can meet its capital spending operations.
- 2.4 Accordingly, Treasury Management is defined as:

“The management of the PCC's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3 Borrowing

- 3.1 The total borrowing as at 30 September 2020 was £86.969m, which was within the operational borrowing limit of £155.000m. This borrowing is made up of £81.969m Public Works Loans Board (PWLB) long-term loans and a £5.000m long-term market loan. Loan details are shown in Appendix I.
- 3.2 During the first two quarters of the financial year the Commissioner entered into £11.000m short-term borrowing, which was fully repaid when the Pension top-up grant of £58.072m was received from the Home Office in July. Temporary borrowing of £9.000m carried over from 2019/20 has also been fully repaid.
- 3.3 There are no further plans for any new PWLB borrowing this financial year.
- 3.4 As at 30 September 2020 the Treasury Management budget for interest on borrowing is forecast to underspend by £0.282m.

Borrowing Interest 2020/21	Budget £000	Forecast £000	Variance £000
PWLB	2,634	2,634	-
Market Loans (Long-term)	176	176	-
Market Loans (Short-term)	360	78	(282)
Total	3,170	2,888	(282)

- 3.5 At the time of setting the budget, the forecast for Bank Rate was that it would remain at 0.75% throughout 2020/21. Short-term temporary borrowing rates were therefore estimated at around 1%. Temporary borrowing taken in Quarter 1 was secured at 0.50%-0.58% and rates have continued to fall further in Quarter 2 with rates now forecast by Link Asset Services as low as 0.05% for up to 3 months, and 6 month rates at 0.1% in-line with Bank Rate with no expectation of any increase this year.
- 3.6 Actual temporary borrowing costs in 2020/21 are therefore minimal, attributed to historically low short-term rates and also a reduction in the forecast borrowing requirement for the year due to reduced spending against the capital programme. The forecast includes a contingency of £0.060m to cover any additional cash flow requirements arising between now and the year-end and to mitigate any temporary rise in Local Authority lending rates that might be experienced if there were to be a shortage of cash in the market towards the year-end.

4 Investment Performance

- 4.1 The latest projection of investment income for 2020/21 is £0.140m. This represents reduced income of £0.115m when compared to the budget of £0.255m. The reason for this variance is the reduction in interest rates on investments following the two emergency cuts in Bank Rate in March 2020, due to the Covid 19 pandemic, which could not have been foreseen at budget setting time.
- 4.2 The budget for investment interest was based mainly on expected returns from short-term Money Market Fund (MMF) investments, with rates aligned closely with the Link Asset Services forecast for Bank Rate over the 2020/21 financial year. The average budgeted rate for the year was 0.7000%, as pre-Covid the Bank Rate was forecast to remain steady at 0.75% all year.
- 4.3 The average rate of return is monitored for each investment type that the Commissioner enters into and these are used to calculate an average rate of return for the year to date. Investment returns fell sharply following the two cuts to Bank Rate in March 2020. The average rate of return achieved as at 30 September 2020 is 0.4569% which is 0.2431% lower than the budgeted rate.
- 4.4 Given that average MMF returns started at rates of 0.28% to 0.48% in April and have fallen to below 0.1000% as at 30 September 2020, the achievement of an average rate of return of 0.4569% is worth noting. This has been achieved through proactively managing the cashflow to agree forward deals with a number of Local Authorities for the placement of funds for 6 months achieving rates of 0.7% to 1.0%. Analysis of cash flow forecasts early in the year (March 2020, following the first cut to Bank Rate) identified that funds could be placed for this duration once the Home Office Pension top-up grant was received in July 2020, without an increase in the need to borrow. This provided an opportunity to agree 'forward' deals with Local Authorities that were concerned about liquidity in the market and anticipated a need at that time.
- 4.5 As a means of benchmarking, the average rate of return for the month and year to date is compared to the equivalent 7 day London Interbank Bid Rate (LIBID), which is the rate that banks are willing to borrow money from each other. The monthly return for the PCC in September 2020 is 0.0417% and this exceeds the LIBID 7 day

rate equivalent of (-)0.0047%. The Commissioner's average rate of return of 0.4569% is in excess of the equivalent LIBID 7 day rate of (-)0.0534%.

- 4.6 Link Asset Services produces a quarterly Investment Benchmarking report that assesses both the rate of return and the risk of the counterparty to calculate a weighted average rate of return, which is used for comparison across other similar Authorities. In the most recent report that covers the position as at 30 September 2020, the Commissioner achieved a weighted average rate of return of 0.5000% on investments. This exceeds the risk adjusted expectations as defined in the benchmarking report of between 0.1800% and 0.3500%.
- 4.7 It continues to be a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in-line with the Bank Rate. This is particularly the case following the two latest bank rate cuts in March 2020. Link Asset Services indicates in its forecast that there is no increase in Bank Rate expected within the forecast horizon ending on 31st March 2023.
- 4.8 Details of Link Asset Services latest interest rate forecast can be seen in Appendix 2 and an economic update in Appendix 4

Heritable Bank

- 4.9 When Heritable Bank entered administration in October 2008 the former Police Authority had £5.238m invested which was due to mature with interest by the end of 2008/09; the total value including accrued interest was £5.300m. In 2010/11 the investment was impaired to reflect an expected return of 90p in the £.
- 4.10 At the end of the 2019/20 financial year, a total of fifteen dividends had been received in respect of this investment with the last one being in September 2015. In September 2015 it was reported that dividends totalling £5.194m had been received to date representing 98p in the £, an overachievement against the original estimate.
- 4.11 On 29 July 2020 the administrators confirmed the sixteenth and final dividend, a further 0.95p in the £ which equates to £0.050m for Northumbria Police. Total dividends received in relation to the investment in Heritable Bank are £5.244m, equivalent to 98.95p in the £.
- 4.12 As the original investment was impaired in 2010/11 to reflect the expected return, all additional income above 90p in the £ is revenue income. This new dividend will therefore be reflected as additional investment income in the accounts of the Police and Crime Commissioner 2020/21.
- 4.13 No further dividends will be paid and this matter is now concluded.

5 Summary of Mid-year Performance

- 5.1 The projected net impact of investment and borrowing activity to the Commissioner in 2020/21 is an under spend of £0.217m against the budget.

Borrowing Interest 2020/21	Budget £000	Forecast £000	Variance £000
Borrowing Interest	3,170	2,888	(282)
Investment Interest	(255)	(140)	115
Other Investment Income	-	(50)	(50)
Total	2,915	2,698	(217)

- 5.2 The underspend in borrowing costs of £0.282m reflects both the reduced interest rates following the two cuts to Bank Rate in March 2020, and a lower borrowing requirement for the year due to reduced spending against the capital programme. Actual temporary borrowing costs in 2020/21 are minimal however, the forecast includes a contingency of £0.060m to cover any additional cash flow requirements arising between now and the year-end and to mitigate any temporary rise in Local Authority lending rates that might be experienced if there were to be a shortage of cash in the market towards the year-end.
- 5.3 Investment interest is forecast at £0.140m, a shortfall of £0.115m against the budget set for the year. Investment returns fell sharply following the two cuts to Bank Rate in March 2020 however the resulting shortfall in investment income remains more than offset by the reduced costs of temporary borrowing described above.
- 5.4 The mid-year report includes an update on the investment held by the former Police Authority with Heritable Bank. A final dividend of £0.050m has been received in 2020/21, and is to be recorded in the accounts of the PCC as investment income.
- 5.5 Prudential indicators are set annually to ensure that borrowing is prudent, sustainable and affordable. Performance is monitored against these indicators throughout the year and reported in the quarterly capital monitoring reports. The review of performance against prudential indicators at 30 September 2020 confirms that all indicators were operating within agreed limits with no breaches throughout in the year to date. For completeness a copy of the prudential indicators is attached as Appendix 3.

Total Borrowing as at 30 September 2020

PWLB Loans

PWLB Ref.	Principal £	Start Date	Maturity Date	Rate %	Years to Maturity
479387	3,663,710.14	21/05/1997	21/05/2057	7.125	36.66
479687	3,663,710.14	17/07/1997	05/07/2057	7.000	36.79
479976	454,300.06	06/10/1997	05/09/2057	6.625	36.96
479977	696,104.92	06/10/1997	05/09/2057	6.625	36.96
480186	659,467.82	22/10/1997	05/09/2057	6.500	36.96
480880	1,831,855.07	23/04/1998	23/04/2058	5.625	37.59
496086	5,000,000.00	13/10/2009	05/09/2024	3.910	3.93
497288	5,000,000.00	25/05/2010	23/04/2060	4.290	39.59
499079	5,000,000.00	31/10/2011	31/10/2022	3.730	2.08
502361	5,000,000.00	02/05/2013	02/05/2023	2.520	2.59
503622	5,000,000.00	09/01/2015	09/01/2050	3.160	29.30
503623	5,000,000.00	09/01/2015	09/01/2030	2.790	9.28
505904	5,000,000.00	22/03/2017	22/03/2067	2.460	46.50
505920	5,000,000.00	27/03/2017	27/03/2066	2.370	45.52
506307	5,000,000.00	31/08/2017	31/08/2065	2.300	44.95
507097	5,000,000.00	22/03/2018	22/09/2064	2.330	44.01
507986	2,000,000.00	02/11/2018	02/05/2028	2.180	7.59
507987	2,000,000.00	02/11/2018	02/11/2068	2.550	48.12
508203	3,500,000.00	12/12/2018	12/06/2028	1.980	7.70
508204	3,500,000.00	12/12/2018	12/06/2063	2.430	42.73
508961	5,000,000.00	26/03/2019	26/03/2029	1.860	8.49
117885	5,000,000.00	01/10/2019	01/10/2027	1.170	7.01
Total	81,969,148.15				

Market Loans

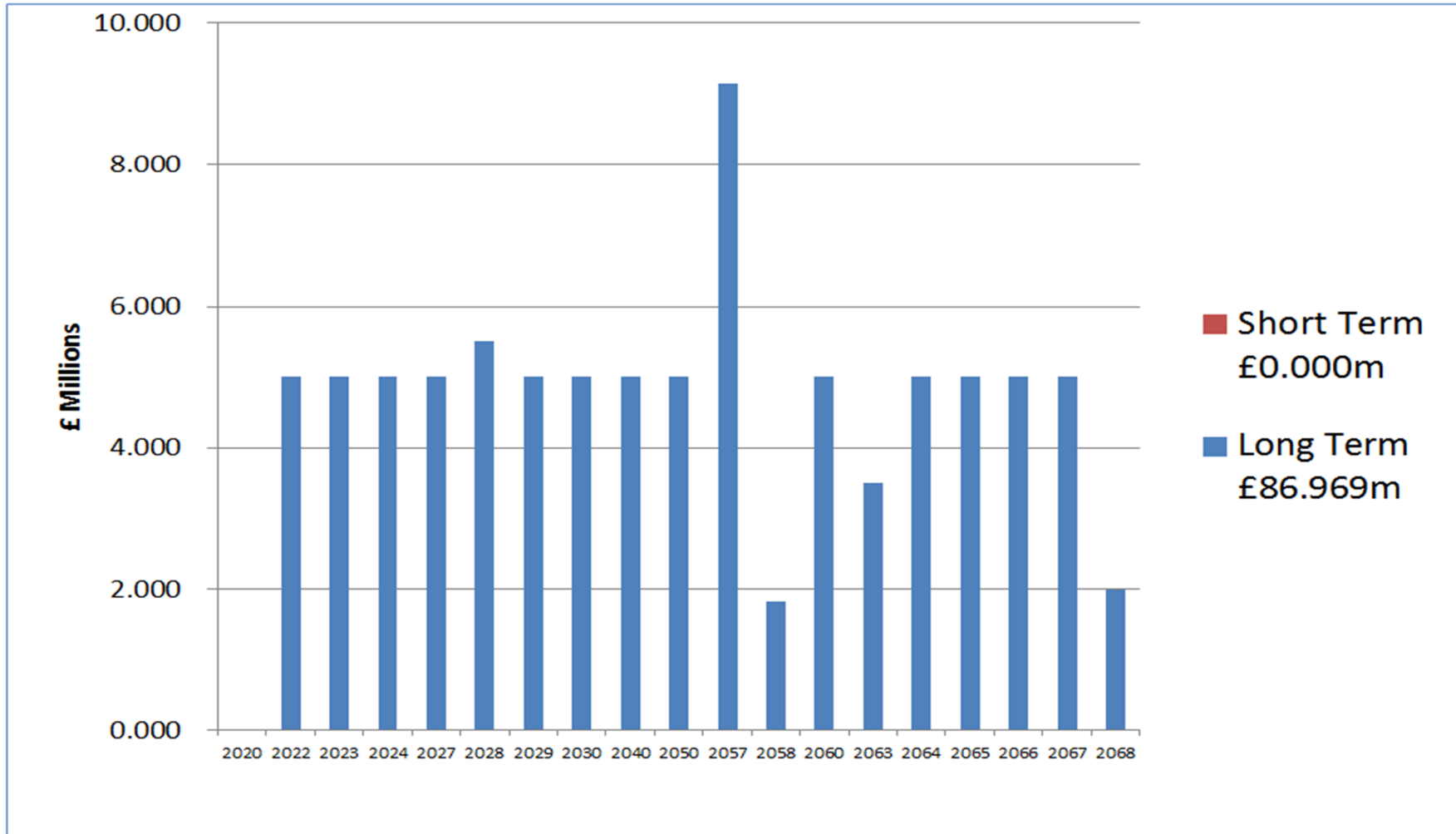
Lender	Principal £	Start Date	Maturity Date	Rate %	Years to Maturity
Barclays	5,000,000.00	01/06/2010	01/06/2040	3.520	19.68
Total	5,000,000.00				

Total Borrowing

Lender	Principal £
PWLB	81,969,148.15
Market Loans	5,000,000.00
Total	86,969,148.15

Maturity Structure of Borrowing

The following chart shows how the Police and Crime Commissioner is managing exposure to interest rate risk by spreading the maturity of borrowing over future years.



Link Asset Services Interest Rate Forecast

The PCC's treasury advisor, Link Asset Services, provided the following forecasts on 2 November 2020 (PWLB rates are certainty rates, based on gilt yields plus 180bps):

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
5yr PWLB rate	1.90%	2.00%	2.00%	2.00%	2.00%	2.00%	2.10%	2.10%	2.10%	2.10%
10yr PWLB rate	2.10%	2.10%	2.10%	2.10%	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%
25yr PWLB rate	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%	2.70%	2.70%	2.70%	2.70%
50yr PWLB rate	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%

The coronavirus outbreak has resulted in significant economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 6 August (and the subsequent September meeting), although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31 March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

GILT YIELDS / PWLB RATES.

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields.

While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields spiked up during the initial phases of the health crisis in March, we have seen these yields fall sharply to unprecedented lows as major western central banks took rapid action to deal with excessive stress in financial markets, and started massive quantitative easing purchases of government bonds:

this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. At the close of the day on 30 September, all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were at only 0.76% and 50 year at 0.60%.

From the Police and Crime Commissioner perspective, there have been no changes to margins over gilt yields for PWLB rates during 2020/21.

HM Treasury imposed **two changes of margins over gilt yields for PWLB rates** in 2019-20 without any prior warning. The first took place on 9 October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11 March 2020, but not for mainstream General Fund capital schemes. This was at the same time as the Government announced in the Budget a programme of increased infrastructure expenditure. It is clear HM Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is solely to generate an income stream (assets for yield).

Following the changes on 11th March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

The PCC is eligible for the **PWLB Certainty Rate** (gilts plus 180bps)

As the interest forecast table for PWLB Certainty Rates, (gilts plus 180bps), above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK** - second nationwide wave of virus infections requiring a national lockdown
- **UK / EU trade negotiations** – if it were to cause significant economic disruption and a fresh major downturn in the rate of growth.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU recently agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next year or so. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021**. In 2017, Angela Merkel’s CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until the general election in 2021. This leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments**. Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.
- **US – the Presidential election in 2020**: this could have repercussions for the US economy and SINO-US trade relations.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - stronger than currently expected recovery in UK economy.
- **Post-Brexit** – if an agreement was reached that removed the majority of threats of economic disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

Prudential Indicators

Authorised Limit for External Debt			
	2020/21 Reported Indicator £000	2020/21 Position at 30 Sep £000	2020/21 Max YTD £000
Borrowing	175,000	86,969	101,969
Other Long Term Liabilities	0	0	0
Total	175,000	86,969	101,969
No breach of the Authorised Limit			

Operational Boundary for External Debt			
	2020/21 Reported Indicator £000	2020/21 Position at 30 Sep £000	2020/21 Max YTD £000
Borrowing	155,000	86,969	101,969
Other Long Term Liabilities	0	0	0
Total	155,000	86,969	101,969
No breach of the Operational Boundary			

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing				
Maturity	2020/21 Reported Indicator		2020/21 Position at 30 Sep 2020	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
< 1 year	60%	0%	0.00%	14.71%
1 - 2 years	40%	0%	0.00%	0.00%
2 - 5 years	40%	0%	17.25%	17.25%
5 - 10 years	40%	0%	23.57%	23.57%
> 10 years	80%	0%	59.18%	59.18%
All borrowing is within the limits set for the year				

Upper Limit on principal amounts invested beyond 365 days			
	2020/21 Reported Indicator £000	2020/21 Position at 30 Sep £000	2020/21 Maximum YTD £000
Investments	15,000	0	0

Gross Debt and CFR		
	2020/21 £000 Reported Indicator	2020/21 £000 Forecast Position
Forecast Borrowing as at 31 March	86,969	86,969
Capital Financing Requirement at 31 March	120,805	114,645
Amount of borrowing (over) / under CFR	33,836	27,676

The year-end borrowing position is forecast at £86.969m which is lower than the CFR by £27.676m. CFR is £114.645m, a reduction of £6.160m on the budgeted CFR. This is due to reductions in forecasted capital spend for 2020/21 particularly in relation to Building works.

The £27.676m under borrowing reflects the increased reserves and the positive impact on the working capital position as at the year-end. This position satisfies the Code of Practice requirements.

Economic Update

- As expected, the Bank of England's Monetary Policy Committee (MPC) kept Bank Rate unchanged on 6th August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:
 - The fall in **GDP** in the first half of 2020 was revised from 28% to 23% (subsequently revised to 21.8%). This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
 - The peak in the **unemployment rate** was revised down from 9% in Q2 to 7½% by Q4 2020.
 - It forecast that there would be excess demand in the economy by Q3 2022 causing **CPI inflation** to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.
- The Bank of England MPC also squashed any idea of using **negative interest rates**, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including QE and the use of forward guidance.
- The MPC expected the £300bn of **quantitative easing** purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.
- In conclusion, this would indicate that the Bank could now just sit on its hands as the economy was recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to **downside risks**, which were judged to persist both in the short and medium term. One has only to look at the way in which second waves of the virus are now impacting many countries including Britain, to see the dangers.
- In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery.
- Overall, **the pace of recovery** is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.
- There will be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as

this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services is one area that has already seen huge growth.

- One key addition to **the Bank's forward guidance** was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate
- The **Financial Policy Committee (FPC)** report on 6th August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

NORTHUMBRIA POLICE

JOINT INDEPENDENT AUDIT COMMITTEE

16 NOVEMBER 2020

EMERGENT INTERNAL AUDIT PLAN 2021/22–2023/24

REPORT OF INTERNAL AUDIT MANAGER

1 Purpose of the Report

- 1.1 The purpose of this report is to present to Committee the emergent Internal Audit Plan 2021/22-2023/24 to allow sufficient time for consultation prior to the presentation of the proposed plan to Committee in February 2021.

2 Background

- 2.1 Public Sector Internal Audit Standards (PSIAS) outline that the Internal Audit Manager must establish a risk-based plan, consistent with the organisation's goals, taking into account the organisation's risk management framework, input from senior management and the Committee. The plan should remain flexible in both content and timing to respond to changes in the organisation's business, risks, operations, programs, systems and controls.
- 2.2 The risk-based plan must take into account the requirement to produce an annual audit opinion on the assurance framework. It must be linked to a strategic statement of how the internal audit service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisation's objectives and priorities outlined in the Police and Crime Plan.

3 Approach

- 3.1 Due to the anticipated ongoing impact of COVID 19 a change to the normal audit planning approach is necessary for 2021/22 onwards. It is proposed that all High risk audit areas (including IT) are covered as a minimum, with the Medium priority audits undertaken should the situation permit at that time.
- 3.2 A revised Internal Audit Plan was agreed by Committee on 22 June 2020, amending the original three year plan agreed on 24 February 2020. These form the basis of the annual review with the Internal Audit Plan being rolled forward for an additional year and will be assessed against the following factors by the Internal Audit Manager:
- Objectives of the Police and Crime Plan

AGENDA ITEM 8

- The risks documented in the strategic risk register
- Findings and outcomes from audits carried out during 2020/21
- The outcomes of external inspections and other combined assurance e.g. External Audit or HMICFRS (including recent PEEL reports)
- Any relevant changes in legislation or regulatory requirements
- Time elapsed since previous audits
- The impact of the current pandemic, recognising areas of both increasing and reducing risk

3.3 To support the annual review the Internal Audit Manager also consults with Chief Officers and the Committee to ensure all significant changes or risks to the organisation have been identified and included within the scope of the Audit Plan. This consultation also includes identifying suitable audit approaches to gain appropriate assurance while remote working.

3.4 As with previous years, to strengthen the annual review of the Internal Audit Plan, the emergent plan is shared with the Committee prior to discussions taking place with senior managers.

3.5 The emergent Internal Audit Plan 2021/22-2023/24 is attached at Appendix A for review and comment.

4 Equal Opportunities implications

4.1 It is considered that there are no equal opportunities implications arising from the report.

5 Human Rights implications

5.1 It is considered that there are no human rights implications arising from the report.

6 Risk Management implications

6.1 There are no additional risk management implications arising directly from this report. The emergent audit plan supports the adequate and appropriate use of resources.

7 Financial implications

7.1 There are no financial implications directly arising from this report

8 Recommendations

8.1 The Committee is asked to review and comment on the emergent Internal Audit Plan 2021/22-2023/24 and revised approach.

Internal Audit Plan 2021/22 - 2023/24

Risk	Frequency	Audit Area	Revised 2020/21	Emergent 2021/22	2022/23	2023/24
		Police & Crime Commissioner				
High	Annual	Treasury Management	60	60	60	60
Annual	Annual	Grant Distribution	50	50	50	50
		Chief Constable				
		ICT Audits				
High	Annual	ICT Security - Application & Data; Infrastructure; Cyber	60	60	60	60
High	Annual	Patch Management	40	60	40	60
Medium	Biennial	Configuration Management		40		40
Medium	Biennial	Resilience		60		60
Medium	Biennial	ICT Strategic Implementation & Reporting		60		60
Medium	Biennial	Programme/Project Management	60		60	
Medium	Biennial	Asset & Device Management	60		60	
Medium	Biennial	Licence & Certificate Management	60		60	
		Departmental Audits				
Annual	Annual	Police Charities Fund	40	40	40	40
		Theme Based Audits				
High	Annual	Property	120	120	120	120
High	Annual	Cash & Miscellaneous Income	60	60	60	60
		Combined Areas				
		Financial Systems				
High	Annual	Creditors and Procurement	140	140	140	140
High	Annual	Payroll & Pensions	100	100	100	100
High	Annual	Main Accounting System	50	50	50	50
High	Annual	Budgetary Control	40	40	40	40
High	Annual	Employee Claims	60	60	60	60
		Other Combined Areas				
High	Annual	Governance	50	50	50	50
High	Annual	Information Governance & Data Security	80	80	80	80
High	Annual	Annual Governance Statement - Review of Managers' Assurance	100	100	100	100
		Other				
		Follow Up and Contingency	70	70	70	70
		General Advice, Consultancy and Systems Review	150	150	150	150
		Joint Independent Audit Committee - Preparation & Support	120	120	120	120
		Hours	1,570	1,570	1,570	1,570

		Chief Constable				
		Departmental Audits				
Medium	Biennial	Asset Management		100		100
Medium	Biennial	Fleet Management	70		70	
Medium	Biennial	People Services and Development		100		100
Medium	Biennial	Legal & Insurance Arrangements			90	
Medium	Biennial	Operational Support and Firearms Licencing			80	
		Theme Based Audits				
Medium	Biennial	Counter Fraud and Corruption Arrangements		60		60
		Combined Areas				
		Financial Systems				
Medium	Biennial	Debtors	60		60	
		Other Combined Areas				
Medium	Biennial	Risk Management and Business Continuity Arrangements		90		90
Medium	Biennial	Joint Working Arrangements		70		70
Medium	Biennial	Health & Safety	60		60	
Medium	Biennial	Performance Management & Data Quality	60		60	
Medium	Biennial	VAT		50		50
Medium	Biennial	Complaints		100		100
Low	Triennial	Equality & Diversity			50	
		Hours	250	570	470	570
Medium		NERSOU	50		50	
		Total Hours	300	570	520	570

Joint Independent Audit Committee	16 November 2020
Summary of Recent External Inspection Reports	
Paul Godden, Head of Corporate Development Department	

1. PURPOSE

- 1.1. To provide details of recent external inspection reports and an overview of the process in place to manage the Force’s response to inspection recommendations and findings.

2. BACKGROUND

- 2.1. There have been no inspection reports published by Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) or other relevant inspection bodies since the last Joint Independent Audit Committee.
- 2.2. All HMICFRS inspection reports and other external inspection reports are considered by the Executive Team. A lead is appointed to consider inspection findings and identify actions in response to any recommendations and areas for improvement. The Force position is reported to the Police and Crime Commissioner at the Business Meeting to inform the statutory response required under section 55 of the Police Act 1996.
- 2.3. All activity is regularly reviewed by the respective owners. Delivery is overseen by the Executive Team through the Force’s governance and decision-making structure and progress is reported to the Scrutiny Meeting of the Office of the Police and Crime Commissioner (OPCC).
- 2.4. The Corporate Development Department acts as the central liaison point for all HMICFRS related matters.
- 2.5. The HMICFRS Monitoring Portal includes causes of concern and recommendations made to police forces by HMICFRS since January 2013, and more recently (since September 2019) areas for improvement.
- 2.6. Since the last meeting the six AFIs added to the portal in response to the report ‘A call for help - Police contact management through call handling and control rooms in 2018/19’ published in July 2020 have now been marked as ‘no further action’ within the portal by HMICFRS and have been moved from open to closed. A decision has been made that rather than allocate all of the AFIs to forces, each will be assessed within PEEL 2021/22 and, if required, an AFI will be issued if services are not sufficient after that inspection.
- 2.7. The position as at 19th October 2020 was:

	Recs	AFIs
Total (HMICFRS Monitoring Portal)	242	47
Total closed	188	6
Total open	54	41
<i>Awaiting national position</i>	<i>17</i>	<i>0</i>
<i>Considered complete by the Force; awaiting HMICFRS review</i>	<i>19</i>	<i>22</i>
<i>Reviewed by HMICFRS for closure; awaiting update on the portal</i>	<i>1</i>	<i>0</i>
<i>Considered complete by the force; awaiting update to Scrutiny Meeting</i>	<i>2</i>	<i>3</i>
Subject to ongoing Force activity	15	16

- 2.8. Appendix A provides an overview of the outstanding recommendations and AFIs assigned to Northumbria Police by HMICFRS on the monitoring portal. It includes the number closed by HMICFRS alongside the number of recommendations or AFIs assessed as complete by the Force, which have been reviewed at the Scrutiny Meeting and which will be presented to HMICFRS for review/closure. A summary of progress, together with an expected delivery date and RAG status is also included.
- 2.9. HMICFRS independently assesses the recommendations and AFIs either through further inspection or by undertaking reality testing. This activity has been impacted by COVID-19 as HMICFRS suspended all inspection work requiring appreciable input from forces until October 2020 to allow forces the capacity to deal with the pandemic.
- 2.10. Since the last reported position, all of the remaining Northumbria child protection recommendations have been reviewed by HMICFRS and closed on the portal. In addition, on 7th September 2020, the HMICFRS lead inspector for custody undertook a review of the Northumbria Police action plan created in response to the Force custody inspection (September 2019). Feedback on progress was positive. However, the HMICFRS has advised that the portal will not be updated to reflect any closures until a new custody follow-up process on the portal has been implemented. No timescales have been provided.
- 2.11. Eleven further recommendations and two AFIs have been assessed as complete by the Force and presented to the Scrutiny Meeting. These relate to integrated offender management (three recommendations); poor relation (three recommendations); counter terrorism (one recommendation); evidence-led domestic abuse (four recommendations); PEEL Legitimacy 2018/19 (one AFI) and PEEL Effectiveness 2018/19 (one AFI).
- 2.12. Following review through Force governance boards, further recommendations (two) and AFIs (three) assessed as complete in relation to roads policing and custody are scheduled for presentation to Scrutiny Meeting in the next three months in-line with determined quarterly or six-monthly reporting arrangements. The next reporting dates are provided in Appendix A, ahead of reporting at the following JIAC.
- 2.13. Overall the Force remains satisfied with progress in response to the recommendations and AFIs. Whilst there are no significant risks that would impact on achievement of outstanding recommendations or AFIs, additional focus and effort remains with regard to vetting and incident demand and risk management.
- 2.14. Changes have been implemented in response to an internal review of response and risk management of grade 2 incidents to ensure the appropriate and consistent management of vulnerable incidents and to successfully deliver against the recommendations within PEEL. A second review of incidents from September 2020 is underway to assess progress.
- 2.15. Progress continues with regard to vetting. All vetting resources are back working in their assigned areas of business e.g. retrospective vetting, Management Vetting, reviews and Contractor vetting and there has been minimal impact on timeliness with the unit delivering against all targets. The September Uplift target has been exceeded and renewal and change of circumstances vetting is now being progressed by a dedicated team. Opportunities are being investigated to further reduce the process time for vetting. Completion of vetting by January 2021 is still considered achievable.

3. FINANCIAL CONSIDERATIONS

- 3.1 There are no additional financial considerations arising from this report.

4. LEGAL CONSIDERATIONS

4.1 There are no legal considerations arising from the content of this report.

5. EQUALITY CONSIDERATIONS

5.1 There are no equality implications arising from the content of this report.

6. RISK MANAGEMENT

6.1 Activity in response to HMICFRS findings is monitored through the Northumbria Police governance structure and by the Office of the Police and Crime Commissioner.

6.2 HMICFRS expects that progress is made in response to the recommendations and uses progress against previous recommendations to assess risk when considering future inspection activity.

7. RECOMMENDATIONS

7.1 To note there are no matters of exception to report in response to previous inspections.

Report Title	Business Lead	Executive Lead	Recommendation/ Area for Improvement (AFI)	Number of recommendations/ AFIs (& number closed on the HMICFRS Monitoring Portal) / Number considered complete by the Force		Context	Anticipated completion date	Progress on delivery	RAG	Reported to Scrutiny Meeting	PCC response	Next report to Scrutiny Meeting
<p>PEEL: Police legitimacy 2017</p> <p>Published: 12/12/2017 CC response to PCC: 22/1/2018 PCC Section 55 response: February 2018 Reported to JIAC: 19/2/2018</p>	Stop and Search Lead/ Head of People Services	T/ACC Hutchison	Recommendation	1(0)	0	<p>This is a national recommendation regarding the use of stop and search.</p> <p>Issue</p> <p>Northumbria officers have been trained in unconscious bias. The findings from the Force's Legitimacy Inspection in 2017 determined that the Force was well placed, with officers receiving information about unconscious bias during stop and search training. HMICFRS also stated that the officers spoken to had a full and comprehensive understanding of how they should be treating people fairly and with respect in their interactions with the public and each other.</p> <p>Focus for Northumbria Police</p> <p>Findings in the 2018/19 PEEL inspection acknowledged that the Force had complied with most of this recommendation; however, could not evidence sufficient understanding of unconscious bias and analysis of find rates for drug supply and possession. As a result, unconscious bias has been raised as an AFI within the 2018/19 PEEL inspection below.</p>	Revised training delivery commenced in July 2020, and will form part of a longer term training input.	<p>The training already provided alongside additional planned training and awareness sessions should help to further embed understanding of unconscious bias and strengthen the Force's position.</p> <p>Analysis of find rates for drug supply and possession is now being undertaken.</p> <p>Elements of unconscious bias training are undertaken throughout the mandatory training including onboarding, PCDA and stop and search.</p> <p>A forcewide approach is being implemented for the delivery of unconscious bias and diversity training to support the workforce. This will form a module of the overall Diversity, Equality and Inclusion training programme.</p> <p>A digital package has been developed. Learning will include videos, training modules, written resources and topic discussions at virtual learning events.</p> <p>Update: September 2020</p> <p>A force wide unconscious bias communications campaign has been launched.</p> <p>Training has taken place with all recruitment assessors and selection panellists and sessions for HMET/Complex, Investigative training and Leadership Development linked to unconscious bias will take place during October 2020.</p> <p>The impact of training delivery will be measured at each of the courses through pre and post evaluation, testing through action learning sets following the training and through the HIVE survey engagement scores.</p>		17/06/2020	The PCC was satisfied with the progress made.	15/12/2020
<p>PEEL Effectiveness</p> <p>PEEL: Police effectiveness, efficiency and legitimacy 2018/19 - Northumbria Police</p> <p>Published: 27/9/19 CC response to PCC: 14/11/19 PCC Section 55 response: November 2019 Reported to JIAC: 18/11/19</p>	Multiple	T/ACC Hall	Recommendation	2 (0)	0	<p>Two recommendations and six AFIs were made by HMICFRS as a result of the effectiveness strand of PEEL.</p> <p>The recommendations related to response to incidents. The Force needed to ensure that response was determined by the initial assessment of risk rather than the availability of response officers and that in the event that incidents to vulnerable victims were delayed, to ensure full justification for the delay with supervisory oversight.</p> <p>The AFIs related to: the process for commissioning and analysis of problem profiles; consistency of engagement approach; understanding and use of problem solving; evaluation and sharing of effective practice; understanding of the nature and scale of vulnerability; and review of the domestic abuse risk assessment grading policy.</p> <p>These were about improving current practices to extend understanding of communities, uncovering hidden demand and having effective and consistent processes to problem solve and share learning. The domestic abuse risk assessment grading process was already a recognised issue and was under review at the time of the inspection.</p> <p>Focus for Northumbria Police</p> <p>To ensure that vulnerable incidents are recognised and responded to appropriately to ensure safeguarding, evidence gathering and investigation.</p>	Dec-20	<p>The Force has progressed all of the recommendations and AFIs and improvements are evident in all areas.</p> <p>Activity in response to the AFIs includes the implementation of:</p> <p>A revised process for the commissioning and analysis of problem profiles. Further work is ongoing to improve partnership involvement in the process.</p> <p>A new engagement strategy with engagement toolkits and plans for engagement throughout the year. Effective use of digital methods have assisted with engagement since the onset of COVID-19.</p> <p>Work is progressing well to embed problem solving across the force and problem solving inputs now feature on student officer training courses.</p> <p>The problem solving plan process has been established alongside quality assurance mechanisms.</p> <p>Update: October 2020</p> <p>A problem solving central repository has been launched on the intranet which enables all staff to access useful guidance documents and view good practice themed Problem Orientated Policing (POP) plans to ensure shared learning.</p> <p>POP on a page documents were completed for violence hot spots identified within the Violence Reduction Unit Insight. Report and this approach was commended by the Home Office with Force examples disseminated to other forces across the country as good practice.</p> <p>A training package for NPTs is under development that is expected to be piloted in November 2020, delivered at an inspectors event in December 2020 with full NPT roll out from Jan 2021. This will also involve partners to share learning.</p> <p>An examination of the data quality issues that impact upon our ability to fully assess the nature and scale of vulnerability has been undertaken. Whilst best use of information will be made within the constraints of the current systems, full benefits may not be achievable until implementation of the new IT systems. The new Force business intelligence tool QlikSense provides the ability to bring data from a variety of sources, such as existing operational and business systems, as well as partnership and open-source data into a single view. A number of dashboards have been developed that provide officers and staff with the capability to view performance metrics, demand data and other analysis. In support of the Force's understanding of vulnerability, a Missing Persons dashboard has been developed and a Domestic Abuse dashboard will follow.</p> <p>The domestic abuse risk assessment grading policy has been revised and implementation of a new procedure and training has been undertaken which is compliant with 'Safelives' MARAC guidelines. Changes as a result of the new procedure are being monitored.</p> <p>Further work is being undertaken in relation to the response to incident recommendations. Whilst improvements have been made as a result of the removal of priority 3 incidents, further delivery of THRIVE training and the implementation of a new supervisory oversight process for priority 2 vulnerable incidents, a recent review indicated that there is further work to do. A plan was implemented in response to the findings and a further review examining incidents from September 2020 is being undertaken. Results will be presented to the Strategic Performance Board in November 2020.</p>		27/08/2020	The PCC was satisfied with the work being carried out.	25/11/2020
<p>PEEL Efficiency</p> <p>PEEL: Police effectiveness, efficiency and legitimacy 2018/19 - Northumbria Police</p> <p>Published: 27/9/19 CC response to PCC: 14/11/19 PCC Section 55 response: November 2019 Reported to JIAC: 18/11/19</p>	Multiple	DCC Ford	AFI	9(0)	2	<p>Issue</p> <p>There were nine AFIs regarding understanding of current and future demand including analysis of data from partners; making best use of resources to meet the needs of the public; and understanding the capacity and capability of the workforce.</p> <p>The Force had recently undertaken a review of resources to inform the new Force Operating Model (FOM); however, recognises the need for further work to understand demand across all services, including hidden demand.</p> <p>Whilst the Force recorded operational skills and qualifications obtained by officers/staff during their police career, information was not held relating to academic, professional or personal skills. This is necessary in order to better understand the capacity and capability of the workforce and identify any gaps/ opportunities to support future development.</p> <p>Focus for Northumbria Police</p> <p>To further improve understanding of demand, capacity and capability.</p>	Dec-20	<p>Work has been undertaken in response to all of the AFIs. Two AFIs are considered complete regarding the awareness of officer and staff workload when allocating and deploying resource; and the alignment of strategic plans with financial planning. Good progress has been made to further embed and further develop business and resource planning; work is on track and no risks are identified with regard to delivery.</p> <p>Activity to support understanding of demand is progressing well. A business intelligence function has been created and a new business intelligence tool (QlikSense) has been implemented. Local business plans include information on current and future demand alongside analysis of capacity and capability. Whilst there is additional longer term work ongoing to further improve understanding, the Force is in an improved position.</p> <p>A survey was undertaken to collate all academic, professional and personal skills information and this is being combined with operational skills data to provide a richer picture of capacity and capability. This will allow a gap analysis to be undertaken and planned activity to mitigate any identified gaps.</p> <p>One AFI regarding ensuring that resource allocation allows appropriate response to urgent calls for service, particularly for incidents concerning vulnerable persons, is in part linked to the previous response recommendations in PEEL effectiveness, but has also been part mitigated by the introduction of the new Force Operating Model that has enabled improved response times.</p> <p>Update: October 2020</p> <p>During September and October 2020 business plans have been presented to the Executive Team and these will help to inform the Medium Term Financial Strategy. A further desktop review of external data sources will also be undertaken to inform projections and provide context within the Force Management Statement for 2021.</p>		27/08/2020	The PCC was satisfied with the work being carried out.	25/11/2020

Report Title	Business Lead	Executive Lead	Recommendation/ Area for Improvement (AFI)	Number of recommendations/ AFIs (& number closed on the HMICFRS Monitoring Portal) / Number considered complete by the Force		Context	Anticipated completion date	Progress on delivery	RAG	Reported to Scrutiny Meeting	PCC response	Next report to Scrutiny Meeting
PEEL Legitimacy PEEL: Police effectiveness, efficiency and legitimacy 2018/19 - Northumbria Police Published: 27/9/19 CC response to PCC: 14/11/19 PCC Section 55 response: November 2019 Reported to JIAC: 18/11/19	Multiple	T/ACC Hall	Recommendation	2(0)	0	Issue Two recommendations regarding understanding, analysis and scrutiny of use of force and three AFIs regarding: training and understanding of unconscious bias; proactive approach to counter corruption; and confidential reporting mechanisms. The inspection highlighted that whilst good at recording use of force, it needed to make better use of this to understand how force is being used. The Force had identified a requirement for increased scrutiny and transparency regarding use of force prior to the inspection.	Nov-20	Significant activity has been undertaken throughout the year to gain a far better understanding of use of force and to establish improved governance with internal and external scrutiny. Whilst there are factors that impact our understanding of how officers and staff are using force such as recording compliance and quality of data, the Force is in a much stronger and improving position. Some of the data issues are as a result of waiting for requested changes to the national Chronicle system where use of force information is recorded. Update: September 2020 A further AFI in relation to counter corruption is considered complete. A confidential reporting mechanism for the workforce to report potential corruption and inappropriate behaviour of colleagues is now in place and forcewide communications are ongoing to increase awareness of it.		15/09/2020	The PCC was satisfied with the progress being made and with the proposed closure of the AFI.	15/12/2020
The poor relation: the police and Crown Prosecution Service's response to crimes against older people Published: 17/7/19 CC response to PCC: 22/8/19 PCC Section 55 response: September 2020 Reported to JIAC: 18/11/19	Head of Safeguarding & Head of Prosecution & Victim Services	ACC Bacon	Recommendation	4 (0)	3	Issue National recommendations regarding adult safeguarding; victim support services; victim needs assessments; referrals; and the analysis of current and future demand. The report highlighted the need for better services for older people subject of crime. The Force already has a safeguarding policy and a robust system for reporting concerns for adults. Force policy and guidance in respect of vulnerable adults outlines the requirement for safeguarding referrals. There is no particular threshold for the submission of an Adult Concern Notification (ACN). Submission is based on the officer's assessment of risk, in particular, risk of abuse or neglect. Victim needs assessments are submitted for all crime victims.	Oct-20	The Force was already in a strong position with regard to these recommendations as mechanisms were already in place for all adult crime victims irrespective of age. Once a national definition of 'adults at risk' is defined, current practices will be adapted accordingly. Analysis of demand will be incorporated into the Force Management Statement. Currently the victim support service is progressing with cope and recovery being completed by Victims First Northumbria (VFN) with the main services now being conducted by court liaison staff. A review of victim services is being undertaken and is expected to be complete in October 2020. The design of a new model and implementation will follow in 2021. Update September 2020 Updates were presented to Scrutiny Meeting in August 2020 outlining the proposed closure of three of the recommendations.		27/08/2020	The PCC was satisfied with progress and no issues were raised.	01/02/2021
Shining a light on betrayal: Abuse of position for a sexual purpose Published: 27/9/19 CC response to PCC: 14/11/19 PCC Section 55 response: November 2019 Reported to JIAC: 18/11/19	Head of Professional Standards Department	DCC Ford	Recommendation	3 (0)	1	Issue National recommendations regarding: abuse of authority; counter corruption; and vetting. The Force was already well placed in this area and received a 'good' grading overall for Legitimacy within the PEEL inspection, which includes those areas under consideration within this inspection. Focus for Northumbria Police To ensure all staff vetting statuses are reviewed and are up to date.	Jan-21	Northumbria's legitimacy inspection suggested that the Force was already well positioned with regard to these recommendations. One of the recommendations is considered complete regarding having enough people with the right skills to look proactively for intelligence about those abusing their position for a sexual purpose. The majority of the counter corruption recommendation is complete; however, completion of the final element regarding encrypted apps is dependent upon national negotiation with hardware manufacturers. Whilst vetting was positively reviewed within PEEL 2018/19 with inspectors highlighting great improvements in vetting the workforce, the current uplift of police officer numbers coupled with contractor vetting linked to the large scale estate refurbishment and IT systems renewal is impacting on the ability of the vetting department to complete all requirements as defined by the recommendation. With the exception of a very small number of staff who are on long term secondment or long term sick, all staff have a vetting status, however, some need to be refreshed. Changes to structure, resourcing and working practices have been implemented to facilitate vetting requirements. An action plan is in place to address any outstanding vetting requirements and to assess the level of vetting required for all posts. The estimated completion date for renewal vetting is January 2021. Update September 2020 The use of WhatsApp and also personal use of IT and Northumbria Police phones will be considered at the Ethics Advisory Board to help inform the future force position on these issues. All vetting resources are back working in their assigned areas of business e.g. retrospective vetting, Management Vetting, reviews and Contractor vetting and there has been minimal impact on timeliness with the unit delivering against all targets.		15/09/2020	The PCC was satisfied with progress.	15/12/2020
Evidence led domestic abuse (DA) prosecutions Published: 23/1/20 CC response to PCC: 24/3/20 PCC Section 55 response: March 2020 Reported to JIAC: 24/2/20	Head of Safeguarding	ACC Bacon	Recommendation	5(0)	4	Issue National recommendations regarding a review of training plans for DA; use of DA champions; clear guidance that evidence led investigations should be afforded the same quality of investigations as other investigations; decisions to take no further action in DA cases receive the same robustness of supervisory oversight as other DA cases and that police and CPS share examples of good work and successful outcomes. Domestic abuse is a force priority and is closely monitored; evidence-led investigations form part of this.	Aug-Oct 2020	Activity is progressing well. Appropriate training will be delivered via CPD. Consultation has been taking place between the DA strategic lead in Safeguarding and the area command Supt leads regarding whether a formal DA Champions network would help in achieving improved service delivery. Considerations regarding structure and role were circulated for comment. Performance management arrangements are in place; positive outcomes for DA overall is showing improvement and the most recent DA audit showed increased consideration of an evidence led approach. Discussions are ongoing between the strategic leads for DA for Northumbria Police and the CPS regarding the best way to build in maximising opportunities to share examples of good work into existing liaison processes. Update October 2020 Updates were presented to Scrutiny Meeting in October 2020 outlining the proposed closure of four of the recommendations.		29/10/2020	The PCC was satisfied with progress and with the proposed closure of the recommendations.	01/04/2021

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Northumbria Police - Joint inspection of police custody Published: 23/1/20 CC response to PCC: 20/2/20 PCC Section 55 response: March 2020 Reported to JIAC: 24/2/20	Head of Custody	ACC Bacon	Recommendation	3(0)	3	Issue Three recommendations regarding the consistent application of legislation and guidance; the full and accurate recording of information on custody records; and ensuring dignity of detainees when using toilet facilities. Nineteen AFIs in relation to performance information and quality assurance; full and accurate recording of information on records; use of force; approach to the dignity and meeting the individual and diverse needs of detainees; notices highlighting CCTV in operation; adherence to legal requirements for fire regulations; the provision of a wider diet, nicotine replacement products and better blankets; and strengthening work with local authority partners to monitor children entering custody and the provision of appropriate adults.	Sep-20	Significant progress has been made and all recommendations and 16 of the AFIs are considered complete and are awaiting HMICFRS review. The remaining three pertain to compliance with fire regulations, the monitoring of children in custody with local authorities and specialist support for detainees with alcohol and drug dependencies. All remaining activity is progressing well with all the necessary fire regulation tests scheduled; meetings established with local authorities regarding children in custody; and whilst a standard level of support is given to those with drug or alcohol problems, such as signposting to external support agencies when they leave custody, the force is progressing work with partner agencies to secure an equitable service level agreement across all custody suites and local authority areas for the provision of further support. Update: October 2020 A review of the Force action plan in response to the inspection was undertaken by HMICFRS on 7th September 2020. Feedback was positive on the progress made, however, the monitoring portal will not be updated until a new custody follow-up process on the portal has been implemented. A further AFI regarding fire regulations will be proposed for closure within the next custody update to Scrutiny Meeting in January 2021.		28/07/2020	No issues were raised.	01/01/2021	
A joint thematic inspection of Integrated Offender Management (IOM) Published: 28/2/20 CC response to PCC: 16/4/20 PCC Section 55 response: May 2020 Reported to JIAC: 22/6/20	ACC Hutchison	T/ACC Hutchison	Recommendation	4(0)	3	Issue National recommendations regarding defining the IOM operating models; improving the quality and accuracy of recording in IOM cases; analysis of training needs; and to ensure that service users are kept informed, as much as possible, about the benefits of inclusion in IOM. Northumbria had already reviewed its IOM provision and established new policy and procedures prior to the publication of this report. The Force is well positioned with regard to IOM.	Sep-20	The Force was already in a strong position with regard to IOM. Policy and process for the IOM operating model including recording activity was in place prior to the findings of this inspection. Service users are now informed via a notification letter of their selection and deselection within the IOM cohort. All Northumbria Police dedicated IOM officers have been in role for a number of years and have considerable experience as well as having benefited from participation in NPS/ CRC training inputs and support. All are part embedded with CRC teams. Longer term, a training needs assessment for officers managing offenders will be developed. Update: October 2020 Updates were presented to Scrutiny Meeting in August 2020 outlining the proposed closure of three of the recommendations.		27/08/2020	No issues were raised with the proposed closure of the three recommendations .	01/02/2021	
Roads Policing: Not optional - An inspection of roads policing in England and Wales Published 15/07/2020 CC response to PCC: to be reported 27/08/20 PCC Section 55 response: September 2020 Reported to JIAC: 24/08/20	Head of Operations Department	T/ACC Hall	Recommendation	6(0)	0	National recommendations stating that with immediate effect: roads policing should be included in the force's strategic threat and risk assessments; that there is enough analytical capability to identify risks and threats on the road network within the force area and that this is used to reduce risks; forces should comply with Department for Transport Circular 1/2007 in relation to the use of speed and red-light cameras; forces where Operation Snap (the provision of digital video footage by the public) has been adopted, should make sure that it has enough resources and process to support its efficient and effective use; forces should satisfy themselves that the resources allocated to policing the strategic road network within their force areas are sufficient; and chief constables should make sure that appropriate welfare support is provided to specialist investigators and family liaison officers involved in the investigation of fatal road traffic collisions.	Mar-21	Update October 2020 The Force is already compliant with two of the recommendations. It complies with Department for Transport circular 1/2007 and whilst the Force does not have Operation Snap, it has a similar scheme that is suitably resourced. In addition, two of the AFIs are also considered complete. These will be presented to Scrutiny Meeting in November 2020. There is currently no local STRA for roads policing although a national STRA is currently being developed to which the Force is contributing. Work is ongoing to develop a local STRA. All national and local initiatives for road safety are being mapped out and overseen by the Road Safety Sergeant and Inspector who are coordinating investment with partners. Analysis is underway to improve our understanding of road safety risks with a problem solving approach. There are sufficient resources to meet demand on the Strategic Road Network as this is prioritised above all other activity undertaken, however, the level of resources has led to less capacity to service other areas of the road network (including rural), road safety, targeting risk drivers, prevention/education and supporting national and regional road safety campaigns. Recruitment of further Motor Patrols officers is underway. There is a well established process in place for managing welfare of Investigating Officers and Family Liaison Officers with plans in place to maintain profiles and provide additional wellbeing support.		26/11/2020	-	01/05/2021	
PEEL spotlight report: The Hard Yards – Police to police collaboration Published 21/07/20 CC response to PCC: to be reported 27/08/20 PCC Section 55 response: September 2020 Reported to JIAC: 24/08/20	Funding and Innovation Manager	DCC Ford	Recommendation	1(0)	0	Issue The report highlighted one national recommendation for forces suggesting that if forces had not yet implemented an effective system to track the benefits of their collaborations, they should use the methodology created by the NPCC, the College of Policing and the Home Office. Focus for Northumbria Police To improve ability to track the benefits of collaborations.	Date to be determined	Update October 2020 The Force's Strategy is to seek formal collaborative opportunities when there are clear business benefits and efficiencies to be achieved. The North East Transformation, Innovation and Collaboration (NETIC) is a regional collaborative policing programme involving the seven forces in north-east England. This programme is currently subject of review by the regional lead. The Force has a methodology for tracking and capturing business benefits more widely, for example, in relation to the Transformation Programme. A review of the methodology due to be created by the NPCC, the College of Policing and the Home Office will be conducted once published.		26/11/2020	-	01/05/2021	
An inspection of undercover policing in England & Wales Published: 13/10/14		ACC Bacon	Recommendation	17(0)	17	Awaiting the outcome of a national inquiry.	N/A	The Force action plan in response to the recommendations was signed off as complete in July 2016.				-	
Northumbria – National child protection inspection (and Post-inspection Review) Published: 28/6/18 (Post-inspection review 11/4/19) CC response to PCC: 26/7/18 (Post-inspection review 2/5/2019) PCC Section 55 response: August 2018 & June 2019 Reported to JIAC: 23/7/18 (Post-inspection review 13/5/19)	Head of Safeguarding	ACC Bacon	Recommendation	7(7)	7	Issue Four remaining recommendations following the post inspection review regarding: the investigation of child sexual exploitation; detention of children in custody; recording of information where there are concerns about the welfare of children; and practices in relation to missing children. Focus for Northumbria Police Ensuring the timely safeguarding of children with regard to CSE and the provision of appropriate adult support for children in custody.	N/A	Update September 2020 All recommendations have been reviewed by HMICFRS and closed on the monitoring portal.		28/07/2020	The PCC was satisfied with action taken and supported the closure of recommendations.		-
National Child Protection Inspections: 2019 thematic report Published: 27/2/20 CC response to PCC: 16/4/20 PCC Section 55 response: May 2020 Reported to JIAC: 22/6/20	Head of Safeguarding	ACC Bacon	Recommendation	3(0)	3	Issue National recommendations to reduce the unnecessary criminalisation of children; to review performance management and quality assurance approaches; and for forces not yet inspected by the NCPI or JTAI to take steps to identify and implement good practice and the learning highlighted from these programmes. The Force was already responding to the force specific recommendations and is, therefore, in a positive position with regard to the national recommendations.	N/A	Update July 2020 All recommendations are considered complete and are awaiting HMICFRS review.		28/07/2020	The PCC was satisfied with action taken and supported the closure of recommendations.		-

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Fraud: Time to choose Published: 2/4/19 CC response to PCC: 16/5/19 PCC Section 55 response: August 2019 Reported to JIAC: 13/5/19	Head of Crime	ACC Bacon	Recommendation	2 (0)	2	Issue National recommendations regarding the publication of Force policy for responding to and investigating allegations of fraud and the reporting of fraud outcomes to the National Fraud Intelligence Bureau. Focus for Northumbria Police Ensuring the process for reporting of fraud outcomes is robust.	N/A	Update May 2020 Both of these recommendations are considered complete. One has been reviewed and is awaiting update on the HMICFRS monitoring portal and the other is awaiting HMICFRS review.		14/05/2020	The PCC was satisfied with action taken and supported the closure of recommendations.	-
Cyber: Keep the light on - An inspection of the police response to cyber-dependent crime Published: 24/10/19 CC response to PCC: 12/12/19 PCC Section 55 response: December 2019 Reported to JIAC: 18/11/19	Head of Crime	ACC Bacon	AFI	1(0)	1	Issue National AFI regarding an assessment of the use of cyber specials and volunteers. Use of cyber volunteers is already established.	N/A	Update May 2020 This AFI is considered complete and is awaiting review by HMICFRS. The force was inspected as part of this thematic inspection and feedback on the Force's use of cyber volunteers was positive.		14/05/2020	The PCC was satisfied with the position and supported closure of the AFI.	-
Counter-terrorism policing - An inspection of the police's contribution to the government's Prevent programme Published: 9/3/20 CC response to PCC: 16/4/20 PCC Section 55 response: May 2020 Reported to JIAC: 22/6/20	Head of Crime	ACC Bacon	Recommendation	1(0)	1	Issue A national recommendation to review the attendance of force representatives at Channel panels so that police are correctly represented by decision makers who can contribute to managing risk. The Force is already compliant.	N/A	Update July 2020 The review is complete - a Prevent specialist attends every Channel Panel; this was in place prior to the recommendation. An update was presented to Scrutiny Meeting in August 2020 outlining the proposed closure of this recommendation .		27/08/2020	No issues were raised with the proposed closure of the recommendation.	-
A call for help - Police contact management through call handling and control rooms (published 09/07/2020) Published 09/07/2020 CC response to PCC: to be reported 27/08/20 PCC Section 55 response: September 2020 Reported to JIAC: 24/08/20	Head of Communications Department	T/ACC Hall	AFI	6 (6)	-	Issue Six AFIs regarding: the effective assessment of risk at all points of contact with the public; ensuring that where there is a vulnerability desk, it makes a positive contribution to initial safeguarding; ensuring that staff are trained, supervised and supported to be effective in their control room roles; investment in technology and collaborative work to inform and improve risk assessments, responses and investigations to keep the public safe; services provided to communities meet the new national contact management strategy; and involvement in the single online home and the social media projects.	N/A	Update September 2020 The following update was provided by HMICFRS: In July 2020, HMICFRS published a PEEL spotlight report entitled 'A call for help' covering police contact management through call handling and control rooms. Within the report, we discussed the next steps the service should take to improve performance in this key area. At the conclusion of that section we state - We will assess progress towards achieving these steps and the success of initiatives during PEEL (police effectiveness, efficiency, legitimacy) inspections 2020/21. Therefore, rather than allocate each force with an AFI we have included each next step within the PEEL methodology. Each next step will be assessed in 2021/22 and, if required, an AFI will be issued if services are not sufficient after that inspection.				

■ On track - no concerns
■ Progressing - additional action required to ensure delivery/delivery delayed
■ Risk to completion

Joint Independent Audit Committee	16 November 2020
Joint Strategic Risk Register	
Report of Ruth Durham, Chief of Staff and Monitoring Officer and Debbie Ford, Deputy Chief Constable	
Author: Tanya Reade, Corporate Governance Manager, Corporate Development	

I. PURPOSE

- 1.1 To present the current joint strategic risk register; this incorporates the strategic risks faced by the Force and OPCC within twelve thematic areas.

2. BACKGROUND

- 2.1 The Office of Police and Crime Commissioner (OPCC) and Northumbria Police share a Joint Strategic Risk Register (JSRR). Each strategic risk is assigned an Executive or OPCC owner, who has responsibility for the management of controls and the implementation of new controls where necessary.

Governance of the Joint Strategic Risk Register

- 2.2 The JSRR identifies each risk, provides context to the risk and identifies current factors affecting thematic areas and captures the consequences if it were to happen. It also provides a summary of existing controls and rates risks on the likelihood of the risk occurring and the impact it would have. All risks are regularly reviewed by the respective owners and updated, where necessary.
- 2.3 Area Commanders, Department Heads and the OPCC are responsible for the identification of emerging risks which cannot be controlled locally, and have the potential to prevent the Force and OPCC from achieving objectives. Recommendations and areas for improvement following external inspections are considered to ensure they are adequately reflected in current risks. These risks are escalated to the PCC and Executive Team in line with the governance and decision making structures, and recorded on the JSRR.
- 2.4 The JSRR is presented to the joint Business Meeting between the PCC and the Chief Constable on a quarterly basis. The Joint PCC/ Chief Constable Governance Group and Joint Independent Audit Committee provide additional scrutiny and governance on a quarterly basis.
- 2.5 The JSRR captures risk(s) in twelve thematic areas: Finance; Governance ; Information and Communication Technologies (ICT); Information and Data Management; Information and Data Quality; Infrastructure & Assets; Operational Policing; Partnership & Collaboration; Public Confidence; Regulation & Standards; Strategy; and Workforce.
- 2.6 Appendix A provides an overview of the current RAG status of the strategic risks for Northumbria Police, alongside the Force strategic risk register. (Thematic risk areas are recorded alphabetically and numbered for ease of reference only).
- 2.7 Appendix B provides an overview of the current RAG status of the risks for the OPCC, alongside the register.

Recent Updates

Finance (OPCC)

Government reduces funding to PCCs/Police Forces which results in a reduced service ability. The need to contain expenditure within available resources and enable Northumbria Police to police effectively.

- 2.8 The financial position at Q1 indicated the potential for an in-year overspend based on Q1 financial information. Q2 information indicates that there is no potential overspend and the reference to the potential overspend has been removed from the current factors.
- 2.9 The likelihood remains medium (3) and impact high (4).

3. Information and Communication Technology (Force)

Loss or failure of IT systems which support current service delivery due to the age of technology and insufficient capacity and capabilities and failure to implement new operating platforms in a timely and effective way

- 2.10 The context and summary of controls have been updated to include the internal and external impact of a second COVID-19 wave on the Force. On 11 September 2020, Operation Talla (COVID-19), second wave response, was initiated to support the Force in mitigating the impact of the virus and enabling business continuity.
- 2.11 The likelihood remains very high (5) and impact high (4).

4. Information and Data Management (Force)

Failure to implement and adhere to information and data management processes and legislation leading to data breaches

- 2.12 The summary of controls has been updated to reflect that a plan is in place for the implementation of formal information asset registers, rather than registers being in place.
- 2.13 The likelihood remains very high (5) and impact high (4).

7. Operational (Force)

Failure to provide our requirements under the Civil Contingencies Act regarding planning and preparedness for civil emergencies; delivery of our responsibilities under the Strategic Policing Requirement; and ability to maintain core policing functions in times of emergency.

- 2.14 A review of the business continuity plans in light of COVID-19 and EU exit is underway. COVID-19 and local response plans have been prepared to respond to local lockdown restrictions and a Concept of Operations developed to support resourcing decisions to maintain critical functionality.
- 2.15 The likelihood remains low (2) and impact high (4)

8. Partnership & Collaboration (Force)

Reduction in or withdrawal of current and /or future partnership arrangements or collaborations leading to impact on service delivery or ineffective management of these arrangements including commercial partnerships (management of commercial contracts)

- 2.16 A Chief Information Officer will oversee ICT projects and contracts. Additional controls include a review of the Force's commercial contract arrangements; adoption of the HMICFRS Thematic report 'The Hard Yards' recommendations and membership of the North East Information and Collaboration Team (NETIC).
- 2.17 The likelihood remains low (2) and impact high (4).

Partnership & Collaboration (OPCC)

Reduction in or withdrawal of current and future partnership arrangements for the OPCC and force lead to the need to identify, develop and retain partnerships and inability to support communities with sustainable multi agency responses.

- 2.18 The current factors have been updated to reflect the ongoing Victims Services Review. This review will analyse and identify the best approach to the future delivery of core victim support services and a Transition Board meets weekly to consider the progress of the review. In addition the controls are now broadened to include governance of commissioned services.
- 2.19 The likelihood remains medium (3) and impact high (4).

9. Public Confidence (Force)

The loss of public confidence in Northumbria Police due to the behaviour, conduct, actions or inaction of Northumbria Police as an organisation or individuals representing the Force, including reduced legitimacy due to poor engagement, abuse of powers and disproportionality in practices.

- 2.20 Oversight and governance of the risk has been widened to include Diversity, Equality and Inclusion Board and Ethics Advisory Board. To increase public confidence, a formal external meeting will also be established.
- 2.21 The summary of controls has been updated, as suggested at the Joint Independent Audit Committee, to reflect the continued appraisal and development of staff.
- 2.22 The likelihood remains low (2) and impact high (4)

Public Confidence (OPCC)

Loss of public confidence in the PCC resulting from a lack of engagement and communication leading to a failure to reflect public priorities in the Police and Crime Plan. Failure to hold the Chief Constable to account on behalf of the public for delivery of their priorities or deliver other statutory obligations.

- 2.23 The summary of controls have been amended to include the PCC Advisory Groups which form part of the PCCs engagement approach.
- 2.24 The likelihood remains low (2) and impact high (4).

10. Regulation & Standards (Force)

Northumbria Police and/ or its staff fail to operate within the regulatory framework applicable to policing activity as defined by law or by Northumbria Police and in doing so create risks which may result in harm to individuals, groups or organisations.

- 2.25 The Operation Talla Gold group established in response to COVID-19 will provide oversight and governance, alongside Confidence and Standards Board. The Gold structure includes assessment of enforcement and proportionality alongside external engagement to gain legitimacy. The application of legislation under the Health Protection Regulations during COVID-19 is now a current factor for the Force.
- 2.26 The likelihood remains medium (3) and impact medium (3).

11. Strategy (Force)

Northumbria Police fails to deliver its strategic objectives and those of the Police and Crime Plan, due to ineffective business planning, including performance, risk, demand, transformation, workforce and financial management.

- 2.27 Additional context has been added to reflect the potential impact on victim services should the force not meet acceptable levels of compliance and standards and areas for improvement highlighted by external bodies.
- 2.28 The likelihood remains at low (2) and impact high (4)
- 2.29 The Force has assessed five areas as high risk: Finance; ICT; Information and Data Management; Information and Data Quality; and Workforce.
- 2.30 The OPCC has assessed two areas as high risk: Finance and Partnership and Collaboration.

3. CONSIDERATIONS

Government Security Classification	Official
Freedom of Information	Non-Exempt
Consultation	Yes
Resources	No
There are no additional financial considerations arising from this report.	
Code of Ethics	No
There are no ethical implications arising from the content of this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	No
Evaluation	No

**AGENDA ITEM 10
APPENDIX A**

Overview of the RAG status of Strategic Risk – Northumbria Police

LIKELIHOOD	Very High (5)			3 ICT 4 Information and Data Management	
	High (4)			5 Information and Data Quality	
	Medium (3)		10 Regulation and Standards	1 Finance 12 Workforce	
	Low (2)		6 Infrastructure and Assets	7 Operational Policing 8 Partnership and Collaboration 9 Public Confidence 11 Strategy	
	Very Low (1)	2 Governance			
	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
	IMPACT				

I	<p>Strategic Risk – Finance</p> <p>Reduction in funding which requires a change to financial planning and/ or a change to the resourcing of service delivery.</p> <p>Failure to effectively manage the allocated annual budget.</p>	
Owner(s)	Chief Constable and Director of Finance	
Governance and Oversight	Executive Board/ Business Meeting	
Context	<ul style="list-style-type: none"> ▪ Reduction in central government funding as announced in the annual Home Office Police Funding Settlement. ▪ The funding settlement currently provides certainty for only one financial year and carries continued long-term uncertainty over several funding strands, including Uplift and Pensions. ▪ An in-year event or change, outside of Northumbria Police's control, may lead to unbudgeted costs that cannot be met from within the annual budget. 	
Current factors	<ul style="list-style-type: none"> ▪ An in-year potential budget pressure as a consequence of COVID-19. ▪ An in-year potential overspend as reported to PCC at quarter 1 2020/21. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Short notice change to national funding may require a change in short and medium term force financial planning, including a need to deliver unplanned savings thereby impacting on service delivery. ▪ Any in-year pressures which become a forecast overspend must be addressed through consideration of in-year savings and discussion with the PCC. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Transparent ownership of financial matters between the PCC and Chief Constable. ▪ Comprehensive approach to business planning cycle and annual budget setting process. ▪ Well understood in-year financial monitoring and reporting governance. 	
Likelihood Impact	3 4	12

2	Strategic Risk – Governance	
	Failures originating from a lack of scrutiny, oversight, transparency, internal controls and adherence to legislation.	
Owner(s)	Deputy Chief Constable	
Governance and Oversight	Executive Board	
Context	<ul style="list-style-type: none"> ▪ Chief Constable is unable to account to the PCC for the exercise of his functions and those under his direction and control. ▪ There is a breakdown in relationship between the Force and Office of the Police and Crime Commissioner. 	
Current factors	<ul style="list-style-type: none"> ▪ None. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Inability to identify and respond to deteriorating performance resulting in policing priorities not being achieved. ▪ Inability to work effectively in partnership to provide services to victims and witnesses. ▪ Slippage/ failure of projects, which hamper the achievement of objectives. ▪ A decline in quality and service delivery, leading to a reduction in satisfaction levels. ▪ Adverse external inspection reports, leading to recommendations and wider escalation. ▪ Loss of public confidence. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ A comprehensive governance and decision making structure is in place providing appropriate governance arrangements. 	
Likelihood Impact	1 2	2

3	Strategic Risk – Information and Communications Technology	
	Loss or failure of IT systems which support current service delivery due to the age of technology and insufficient capacity and capabilities and failure to implement new operating platforms in a timely and effective way.	
Owner(s)	Deputy Chief Constable	
Governance and Oversight	Transformation Board/ Strategic Resourcing Board	
Context	<ul style="list-style-type: none"> ▪ Limitations of current ICT systems and the impact on service delivery. ▪ Significant IT transformation programme. ▪ Loss of Critical ICT Services. ▪ A malicious intent to compromise information systems or access information or data. ▪ Failure of national projects to deliver on time and to specification. ▪ Impact internally and externally of second COVID -19 wave. 	
Current factors	<ul style="list-style-type: none"> ▪ New technology/ new working practices being introduced. ▪ Masons Advisory Risk Assessment and identification. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Ineffective IT system to support business processes. ▪ Current ICT system is unable to provide all of the functionality required leading to inefficiency and impact on police effectiveness. ▪ Loss of information from systems as a result of a cyber-attack. ▪ Loss of confidence in systems and the organisation from users, the public, partner organisations. ▪ Inability to effectively communicate with partners and the public. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Systems are developed to agreed functional requirements and benefits are realised. ▪ Funding within the MTFs to support the implementation and ongoing support of new systems to better support the existing and expected future business processes. ▪ Security of ICT systems is a key component of the implementation of new, and the refresh of existing, ICT systems. ▪ Business Continuity plans are in place to manage interim ICT solutions. ▪ Managed programme to deliver transformation under Transformation 2025. ▪ External support to the implementation/ installation of new systems is in place. ▪ KPIs for ICT are set and monitored through the governance structure. ▪ External organisations are invited to test the security of systems and processes; any remedial action is undertaken. ▪ Operation Talla(COVID 19) 2nd wave response initiated as of 11/09/20 to support Northumbria Police in mitigating impact of virus and enabling business continuity 	
Likelihood	5	20
Impact	4	

4	Strategic Risk – Information and Data Management	
	Failure to implement and adhere to information and data management processes and legislation leading to data breaches.	
Owner(s)	T/ ACC Communications, Digital and Information Management Unit	
Governance and Oversight	Operational Information Management Board	
<u>Context</u>	<ul style="list-style-type: none"> ▪ Inappropriate handling and management of information. ▪ Breach of relevant legislation and/or statutory guidance. ▪ Corruption or loss of Force systems. ▪ Potential loss of data and information assets ▪ Failure to comply with both Force Policy and Procedure and MOPI statutory guidance relating to the retention and destruction of data. ▪ Force Policy and Procedure processing, storing and handling of data not followed. ▪ Lack of awareness and understanding of GDPR ▪ Failure to comply with Information Commissioners’ Office (ICO) best practice, standards and relevant codes of practice. 	
Current factors	<ul style="list-style-type: none"> ▪ Forthcoming Information Commissioners’ Office Audit – October 2020 	
Potential consequence	<ul style="list-style-type: none"> ▪ Regulatory action from the ICO – loss of public confidence and financial penalties ▪ Litigation, legal action against the Force leading to enforcement action and monetary penalties. ▪ Limited ability to access information and/or respond to requests for information. Loss of confidence due to inappropriate or unlawful disclosures of personal data (internally and externally). ▪ Compromise of operational activity and/or covert tactics. ▪ Compromise of physical and technical security controls which would impact information assets and/or systems if vulnerability is exploited. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Information Management Unit with capability, including the roles of Force Data Protection Officer (DPO) and Information Security Manager (ISM). ▪ Oversight and management through the Governance and Decision-making structure – Operational Information Management Board. ▪ Plan for the implementation of formal Information asset registers in place. ▪ Existing procedures in respect of data breaches ensure obligations placed on the organisation in such instances are met. ▪ Monthly meeting with Senior Information Risk Owner to formally assess and govern risk. 	
Likelihood Impact	5 4	20

5	Strategic Risk – Information and Data Quality	
	Failure to improve data quality leading to a reduction in benefits realisation of new operating platforms.	
Owner(s)	T/ ACC Communications, Digital and Information Management Unit	
Governance and Oversight	Operational Information Management Board	
Context	<ul style="list-style-type: none"> ▪ Poor data quality affecting business decisions. ▪ Intelligence not being captured. ▪ Up-to-date crime and intelligence data is not available to officers/staff or data is stored in various locations and formats. ▪ Inaccurate crime recording or held data leading to non-compliance with regulations, a negative impact upon investigations and reputational damage. 	
Current factors	<ul style="list-style-type: none"> ▪ Migration to new operating platforms, including Northgate Connect and Steria – Storm. ▪ Ability to respond to external inspection findings. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Reduction in force performance and delivery ▪ Failure to identify risk of vulnerability, officer, public safety. ▪ Inaccurate data returns to the Home Office and other bodies e.g. HMICFRS ▪ Implications of inaccurate crime recording or held data. ▪ Poor quality data is used to base decisions upon, meaning that critical risk factors may be missed or not fully understood. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Investment in Information Technology aligned to Masons Advisory review. ▪ Migration strategy as part of the Transformation 2025 programme IT strand to ensure data quality, accuracy and compliance with GDPR ▪ Quality Assurance & Audits – identification of documentation and standards. ▪ Introduction of the Quality Standards Delivery Team. ▪ Self-service updates (i.e. HRMS). ▪ QlikSense – use of the Business Intelligence tool to identify compliance and data quality issues ▪ Engagement with the Home Office/ NPCC National Data Quality Improvement Service (NDQIS). 	
Likelihood	4	16
Impact	4	

6	Strategic Risk – Infrastructure and Assets	
	Failure to maintain the physical security and safety of our estate and to effectively manage assets to ensure continued effective service delivery through provision of equipment and facilities which keep the workforce capable and able to respond to the public.	
	Owner(s)	Director of Finance
	Governance and Oversight	Strategic Resourcing Board Asset Management / Operational Information Management Board Physical Security
	Context	<ul style="list-style-type: none"> ▪ Failure to appropriately maintain assets resulting in critical failure.
	Current factors	<ul style="list-style-type: none"> ▪ COVID-19 - Delays in new supply of vehicles. ▪ Physical security.
Potential consequence	<ul style="list-style-type: none"> ▪ Injury to users of assets or the public. ▪ Reduced availability of assets impacts on services across some or all business areas. ▪ Litigation and civil claims. ▪ Negative impact on the workforce and on public confidence. 	

Summary of Controls	<ul style="list-style-type: none"> ▪ Established internal arrangements to minimise the impact of proposed estate and infrastructure changes/ refreshes on the business. ▪ Business Continuity Plans, Estate Strategies and policies and procedures in place. ▪ Regular inspection, testing and maintenance programmes for utility services and equipment. ▪ Obligations under fire safety regulations are met. ▪ Annual inspection and update of the asbestos management survey and risk assessed asbestos management plan, undertaking any remedial work to reduce risks. ▪ Health and Safety management embedded at tactical and strategic level. ▪ Vehicles are purchased using national contracts that incorporate role related testing. ▪ Vehicle maintenance partners are vetted to ensure security and continuity of service. ▪ Internal fuel stock maintained. ▪ Assets management software ▪ Telematics. 	
Likelihood Impact	2 3	6

7	Strategic Risk – Operational	
	Failure to provide our requirements under the Civil Contingencies Act regarding planning and preparedness for civil emergencies; delivery of our responsibilities under the Strategic Policing Requirement; and ability to maintain core policing functions in times of emergency.	
Owner(s)	T/ACC Local Policing, Operations & Custody	
Governance and Oversight	Strategic Performance Board	
Context	<ul style="list-style-type: none"> ▪ Societal Risks; Diseases; Natural Hazards; Major Accidents; Malicious Attacks. 	
Current factors	<ul style="list-style-type: none"> ▪ COVID-19. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Reduced staffing and service provision. ▪ Inability to deliver services across some or all business areas. ▪ Inability to project accurate resourcing to meet future demand. ▪ Inability to contact and recall staff to duty. ▪ Ability to meet mobilisation commitment. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Robust business continuity plans in place across all area commands and departments which have been reviewed in light of Covid and EU Exit. ▪ Covid Response plan and local response plan prepared for localised lockdowns ▪ Concept of Operations developed in line with the States of Policing Matrix to support resourcing decisions in order to maintain critical functionality for the force ▪ Close working with National Police Coordination Centre (NPoCC) and the Regional Information and Coordination Centre (RICC) to test and exercise mobilisation commitment and provide and request mutual aid as appropriate. ▪ Ability to implement agile ways of working. ▪ Northumbria Police currently chairs the Northumbria Local Resilience Forum (LRF) and work closely with partners on preparedness for civil emergencies and the testing and exercising of the multi-agency response. ▪ Ability to revise shift pattern to facilitate mobilisation of specialist staff, particularly in respect of Tier 2 assets. ▪ Force Coordination Centre and daily pace setter meetings to align demand and resources. 	
Likelihood Impact	2 4	8

8	Strategic Risk – Partnership & Collaboration	
	Reduction in or withdrawal of current and/or future partnership arrangements or collaborations leading to impact on service delivery or ineffective management of these arrangements including commercial partnerships (management of commercial contracts).	
Owner(s)	Deputy Chief Constable	
Governance and Oversight	Business Meeting	
Context	<ul style="list-style-type: none"> ▪ Lack of scoping and user requirements at the outset of partnerships/ collaboration or commercial interest. ▪ Future financial constraints on public services. ▪ Lack of integrated planning with partners. ▪ Reduction in partnership services. ▪ Failure of significant collaborative agreement. 	
Current factors	<ul style="list-style-type: none"> ▪ Reduction in safeguarding activity and preventative work, particularly relating to domestic abuse. ▪ Reduction in provision of services supporting Out of Court Disposals and Restorative Justice options. ▪ Commercial contract management capability and capacity. ▪ COVID 19 	
Potential consequence	<ul style="list-style-type: none"> ▪ Gaps in services and support to communities. ▪ Missed opportunities to prevent and reduce crime and disorder. ▪ Reduced public confidence. ▪ Reduced opportunities for more efficient and effective services. ▪ Increased costs due to poor scoping and/ or contract management. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Effective partnership governance arrangements and joint partnership plans through Community Safety Partnerships. ▪ Force wide business planning cycle and delivery of local business plans. ▪ Strategic Design Authority and Transformation Programme. ▪ Improving understanding of demand and external influences of demand enabling effective management of response. ▪ Business continuity plans between relevant partners. ▪ Access to local and/ or national support programmes. ▪ Introduction of Chief Information Officer functions and change lead to oversee ICT projects and contracts. ▪ Internal review of commercial contract arrangements in Northumbria Police by Director of Finance. ▪ Adoption of recommendations made in HMIC Thematic report ‘The Hard Yards’. ▪ Northumbria Police is a member of NETIC (North East Information and Collaboration Team) 	
Likelihood Impact	2 4	8

9	Strategic Risk – Public Confidence	
	The loss of public confidence in Northumbria Police due to the behaviour, conduct, actions or inaction of Northumbria Police as an organisation or individuals representing the Force, including reduced legitimacy due to poor engagement, abuse of powers and disproportionality in practices.	
	Owner(s)	Deputy Chief Constable
	Governance and Oversight	Confidence and Standards Board/DEI Board/ Ethics Advisory Board
	Context	<ul style="list-style-type: none"> ▪ Force or an associated individual acts, in an inappropriate, discriminatory way or demonstrates corrupt behaviour. ▪ Death or serious injury following police contact, or following other adverse or critical incident, as a result of police action or omission. ▪ Misuse or deliberate disclosure of sensitive data or information.
	Current factors	<ul style="list-style-type: none"> ▪ Current operating context and legitimacy in use of police powers ▪ Disproportionality in use of powers. ▪ Embed organisational learning across the Force. ▪ Compliance with all elements of the national guidance on vetting.
Potential consequence	<ul style="list-style-type: none"> ▪ Abuse of authority for financial or sexual purpose, fraud or theft. ▪ Litigation, legal action against the Force. ▪ Reduced public confidence. ▪ Increased civil interest. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Governance arrangements. ▪ Completion of Equality Impact Assessments. ▪ External advisory groups. ▪ Dedicated Counter Corruption Unit with appropriate capacity and capability to deliver a full range of covert tactics. ▪ Forcewide internal communications to increase awareness of behaviour and standards, such as corruption, ethical dilemmas, understanding boundaries. ▪ Vetting procedures in-line with National Code of Practice. ▪ Identification and review of organisational learning, with organisational learning a standing agenda item within the Governance and Decision-making structure. ▪ Utilisation of information from Abuse of authority problem profile. ▪ Unconscious bias training for all staff. ▪ Focus on diversity in recruitment, attraction, selection and retention. ▪ Development of formal external Legitimacy Board ▪ Continued appraisal and development of staff 	
Likelihood Impact	2 4	8

10	Strategic Risk – Regulation & Standards	
	Northumbria Police and / or its staff fail to operate within the regulatory framework applicable to policing activity as defined by law or by Northumbria Police and in doing so create risks which may result in harm to individuals, groups or organisations.	
Owner(s)	Deputy Chief Constable	
Governance and Oversight	Confidence & Standards Board/ Operation Talla Gold	
Context	<ul style="list-style-type: none"> ▪ Litigation, legal action and/or prosecution of the Force and/ or individuals by former officers or staff members. ▪ Failure to comply with regulatory framework. ▪ EU Exit. 	
Current factors	<ul style="list-style-type: none"> ▪ Operational risks affecting policing as a result of exit from the European Union. ▪ Application of legislation under Health Protection Regulations during COVID -19 	
Potential consequence	<ul style="list-style-type: none"> ▪ Litigation, legal action and/or prosecution of the Force and/ or individual staff. ▪ Associated costs of dealing with litigation. ▪ Negative impact on the workforce and public confidence, ▪ Failure to achieve/ maintain relevant ISO/ IEC accreditation in line with relevant codes of practice, ▪ Failure to comply with relevant Health and Safety regulations. ▪ Loss of the key European law enforcement statutory instruments. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ International Crime Co-ordination Centre in place to manage risks associated with the loss of EU policing tools, supported by a national media campaign. ▪ Force, regional and national communication and meeting structure to discuss the loss of EU tools and wider implications of Brexit. ▪ Contingency plans with Crown Prosecution Service, HM Courts and Tribunals Service and Probation in response to Brexit. ▪ Central review of all civil claims, with adverse trends and lessons learnt reported to Confidence and Standards Board. ▪ Audit arrangements and Quality Management System. ▪ ISO governance meeting. ▪ Health and Safety Management System and provision of health and safety advice. ▪ Investigations and review of health and safety incidents, with lessons learnt reported to Confidence and Standards Board. ▪ Talla Gold structure in response to COVID 19 second wave implemented 11/09/20 which includes assessment of enforcement and proportionality alongside external engagement to gain legitimacy. 	
Likelihood Impact	3 3	9

11	Strategic Risk – Strategy	
	Northumbria Police fails to deliver its strategic objectives and those of the Police and Crime Plan, due to ineffective business planning, including performance, risk, demand, transformation, workforce and financial management.	
Owner(s)	Chief Constable	
Governance and Oversight	Executive Board	
Context	<ul style="list-style-type: none"> ▪ Failure to deliver the Force Strategy 2025. ▪ Failure to deliver against objectives set out in the Police and Crime Plan. ▪ Failure to achieve the business benefits from the Transformation Programme. ▪ Compliance and standards not meeting acceptable levels impacting on victim services. ▪ Failure to meet areas for improvement highlighted by external bodies. 	
Current factors	<ul style="list-style-type: none"> ▪ COVID-19 - Suspension of court trials resulting in significant backlog of court trials and an increased risk of victim attrition. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Deteriorating performance resulting in policing priorities not being achieved. ▪ A decline in quality and service delivery, leading to a reduction in satisfaction and confidence. ▪ Adverse external inspection reports, leading to recommendations and wider escalation. ▪ Reduction in services provided to victims and witnesses as a result of ineffective partnership working with other criminal justice agencies. ▪ Delays to criminal justice outcomes. ▪ Slippage/ failure of projects, which hamper the achievement of objectives. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Business planning cycle and delivery of local business plans. ▪ Forcewide Performance Management Framework. ▪ Oversight and management of performance using the Governance and Decision-making structure. ▪ Transformation 2025 Programme. ▪ Local Criminal Justice Board, LCJB Plan and supporting governance structures. ▪ Operation Talla Gold/ Silver structure. ▪ Effective relationships and communication with partners locally enabling response to national issues (e.g. LCJB Strategic Recovery Group). 	
Likelihood Impact	2 4	8

12	Strategic Risk – Workforce	
	Recruitment and retention of a skilled, capable, resilient and diverse workforce with capacity and capabilities required to deliver current and future policing effectively and efficiently.	
	Owner(s)	Director of People & Development
	Governance and Oversight	Strategic Resourcing Board/ Wellbeing and Leadership Board/ Diversity, Equality and Inclusion Board
	Context	<ul style="list-style-type: none"> ▪ A shortfall in resource, in terms of capacity and capability, to meet current or future policing demands. ▪ An inability to attract and retain a diverse workforce.
	Current factors	<ul style="list-style-type: none"> ▪ COVID-19 – Lack of appropriate utilisation by the workforce of Personal Protective Equipment (PPE). ▪ COVID-19 – Inability to meet the uplift requirement and the capacity for internal resources to continue to deliver uplift in three month rolling cycles. ▪ COVID-19 – Additional pressure on workforce wellbeing. ▪ Impact on the investigative capability across the Force, including insufficient numbers against PIP2 trained officer profile combined with lack of experience of those trained, within the Secondary Investigation Unit.
Potential consequence	<ul style="list-style-type: none"> ▪ Reduction in service quality/ delivery leading to reduced public trust and confidence. ▪ Increased demand and potential impact on wellbeing. 	

Summary of Controls	<ul style="list-style-type: none"> ▪ Resourcing Strategy in place together with a comprehensive approach to workforce planning. ▪ Revised workforce principles in place to respond to COVID-19 and the future workplace considerations. ▪ Leadership capabilities plan. ▪ DE&I delivery plan. ▪ Uplift focus on increasing diversity. ▪ Established Area Command Local Health Management Groups. ▪ Training plans in place. ▪ Working groups/ meetings to monitor performance/ identify and resolve risks/ issues in specific areas. ▪ Implementation of a new graduate IPLDP course to provide an investigative career path for officers. ▪ Centrally managed recruitment and allocation of resources. ▪ Introduction of local points of contact for all PPE queries / issues. ▪ Communication plans implemented. ▪ Monthly progress reports/ returns provided to the National Police Uplift Programme. ▪ Regular and formal engagement with staff associations and the Federation. Understanding of workforce skills and leadership development opportunities. 	
Likelihood	3	12
Impact	4	

Overview of the RAG status of Strategic Risk – OPCC

LIKELIHOOD	Very High (5)				
	High (4)				
	Medium (3)			(OPCC) Finance (OPCC) Partnership and Collaboration	
	Low (2)			(OPCC) Public Confidence	
	Very Low (1)	(OPCC) Governance			
	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
	IMPACT				

OPCC has identified risks in four thematic risk areas: Finance; Governance; Partnership and Collaboration; and Public Confidence

OPCC	Strategic Risk – Finance (OPCC)	
	Government reduces funding to PCCs/Police Forces which results in a reduced service ability. The need to contain expenditure within available resources and enable Northumbria Police to police effectively.	
Owner(s)	Chief Finance Officer – OPCC	
Governance and Oversight	Joint Business Meeting/OPCC Business Meeting	
Context	<ul style="list-style-type: none"> ▪ The PCC has a robust, balanced MTFS that meets the medium term financial plans of the Chief Constable and facilitates delivery against the Police and Crime Plan. ▪ The balanced nature is predicated by the risk of Home Office funding being guaranteed for one year only which requires an annual review of the MTFS and potential reprioritisation of spending plans ▪ Affordability may also be affected by changes in national interest rates. ▪ Reserves policy is crucial to medium term sustainability. ▪ In-year financial monitoring must be robust. 	
Current factors	<ul style="list-style-type: none"> ▪ An in-year potential budget pressure as a consequence of COVID-19. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Short notice change to national funding may require a change in short and medium term force financial planning, including a need to deliver unplanned savings thereby impacting on service delivery. ▪ Any in-year pressures which become a forecast overspend must be addressed through consideration of in-year savings and discussion with the CC. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Transparent ownership of financial matters between the PCC and Chief Constable. ▪ Comprehensive approach to business planning cycle and annual budget setting process. ▪ Well understood in-year financial monitoring and reporting governance. ▪ Medium and long term financial planning. ▪ Regular oversight of revenue & capital budget. ▪ Maintain adequate risk assessed reserves. ▪ Audit Committee /Internal Audit Treasury Management strategy in place outcomes reviewed by PCC. ▪ HMICFRS inspection regime. 	
Likelihood Impact	3 4	12

OPCC	Strategic Risk – Governance (OPCC)	
	Existing arrangements for the PCC to carry out robust scrutiny and hold the Chief Constable to account for efficient and effective delivery of the Police and Crime Plan are ineffective or inconsistent.	
Owner(s)	Chief of Staff and Monitoring Officer	
Governance and Oversight	Joint Business Meeting/ Annual Scrutiny Programme/CC/PCC Governance Meeting/ JIAC/Police and Crime Panel/PCC/CC 1:1 Meeting	
Context	<ul style="list-style-type: none"> ▪ Ineffective governance, scrutiny, oversight of services and outcomes delivered and lack of reaction to organisational learning by NP ▪ Need to target resources and priorities towards changing performance/landscapes or community needs. ▪ Chief Constable setting high performance standards and appropriate culture and values is crucial to meaningful scrutiny. ▪ Trust in the transparency of NP. ▪ Effective governance includes effective oversight of complaints against the Chief Constable and Northumbria Police. ▪ Effective systems and controls to manage risk are needed to support the delivery of service. ▪ A strong relationship between the Office of the Police and Crime Commissioner and Force which is resilient to external factors. 	
Current factors	<ul style="list-style-type: none"> ▪ National PCC Review ▪ Development of a new Police and Crime Plan 	
Potential consequence	<ul style="list-style-type: none"> ▪ Loss of public confidence. ▪ Reputational risk ▪ A decline in quality and service delivery, leading to a reduction in public satisfaction with policing. ▪ Deteriorating performance resulting in policing priorities not being achieved. ▪ Poor relationship with Northumbria Police. ▪ Government Intervention. ▪ Challenge by the Police and Crime Panel ▪ Adverse external inspection reports, leading to recommendations and potential escalation. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Police and Crime Plan (regularly reviewed) ▪ Joint Business Meeting ▪ Annual Scrutiny Programme ▪ Provision of the Complaints Statutory Review Process ▪ Public and Partnership Engagement and Feedback ▪ PCC and Chief Constable 1:1s ▪ Police and Crime Panel Scrutiny ▪ Scrutinising Force response to HMICFRS Inspection Findings ▪ Audit Committee, audit, annual governance statement ▪ Contributing to Governments PCC Review 	
Likelihood	1	2
Impact	2	

OPCC	Strategic Risk – Partnership & Collaboration (OPCC)	
	Reduction in or withdrawal of current and future partnership arrangements for the OPCC and force lead to the need to identify, develop and retain partnerships and inability to support communities with sustainable multi agency responses.	
Owner(s)	Chief of Staff and Monitoring Officer	
Governance and Oversight	Joint Business Meeting/VRU Strategic Board/Local Criminal Justice Board	
Context	<ul style="list-style-type: none"> ▪ Uncertainty of sustained resourcing to deliver current public health approach collaboration - Violence Reduction Unit and other joint projects including Victims Service Provision. ▪ Challenging budget and service pressures within organisations both in public and voluntary sector can lead to silo working. ▪ Potential for national issues and crisis to affect collaborative working. ▪ Requirement to retain engagement of the public as a partner. ▪ Ensuring external factors do not alter relationships preventing joint working. ▪ Clear outcomes not being identified and reported can risk sustainability and ongoing partner engagement. 	
Current factors	<ul style="list-style-type: none"> ▪ Comprehensive Spending Review/Sustainability of Violence Reduction Unit ▪ PCC Review Government ambition to strengthen and expand the role of PCCs and maximise potential for wider efficiencies. ▪ Impact of the current pandemic on the Local Criminal Justice System ▪ Ongoing Victim Services Review of the Core Victim Service commissioned by the PCC 	
Potential consequence	<ul style="list-style-type: none"> ▪ Reduced public confidence. ▪ Reduced opportunities for more efficient and effective services. ▪ Missed opportunities to prevent and reduce crime and disorder and maintain an efficient and effective Criminal Justice System ▪ Increased costs due to poor partnership and commissioned service management. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Effective partnership/commissioning governance arrangements that identify and report outcomes and progress ▪ Comprehensive public engagement and communication strategies to inform multi agency responses. ▪ Scrutiny of effectiveness of Force collaborative activity. ▪ Focus on accessing funds for collaborative working and lobbying government for sustained funding streams. ▪ VRU Strategic Board and Response Strategy ▪ PCC Chairing Local Criminal Justice Board, development of LCJB Business Plan and Covid Recovery Group. ▪ Collaboration and engagement with other PCCs, nationally and regionally. ▪ Comprehensive engagement with and monitoring of commissioned services. ▪ Regular ‘sector’ engagement meetings with potential and current partners. 	
Likelihood	3	12
Impact	4	

OPCC	Strategic Risk – Public Confidence (OPCC) Loss of public confidence in the PCC resulting from a lack of engagement and communication leading to a failure to reflect public priorities in the Police and Crime Plan. Failure to hold the Chief Constable to account on behalf of the public for delivery of their priorities or deliver other statutory obligations.	
Owner(s)	Chief of Staff and Monitoring Officer and Director of Planning and Delivery	
Governance and Oversight	Joint Business Meeting/Annual Scrutiny Programme/	
Context	<ul style="list-style-type: none"> ▪ A robust communications plan is needed to demonstrate effective and visible accountability of the chief constable to the PCC. ▪ PCC needs to understand and react to changing communities or priorities and reflect this in the Police and Crime Plan. ▪ Engagement with communities to identify and respond to trends identified through the complaints process and external communication to reflect organisational learning. ▪ The OPCC business must ensure compliance with legal, information management legislation and transparency guidance. 	
Current factors	<ul style="list-style-type: none"> ▪ Role of social media in shaping public perceptions ▪ Changes to law to allow the public to report crimes via social media 	
Potential consequence	<ul style="list-style-type: none"> ▪ Reputational damage ▪ Police and Crime plan and actual delivery not aligned to public concerns and priorities ▪ Reduction/loss of satisfaction and confidence in OPCC and in Police by local people ▪ Loss of trust/confidence in the PCC as a result of crime perceptions ▪ Poor service delivery damages public confidence ▪ Relationship with force and partners ▪ Government penalties Poor assessment results 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Police and Crime Plan (regularly updated to reflect the priorities of local people) ▪ Annual Scrutiny Programme ▪ Reporting back to the public on their concerns and progress towards the Police and Crime plan ▪ PCC Advisory Groups ▪ Annual Report ▪ OPCC Business Plan ▪ Governance Framework ▪ Annual Assurance Statement/Audit Committee ▪ Internal Audit ▪ OPCC Website ▪ Data Protection Officer ▪ Independent Complaints Review process ▪ Service level agreement with Northumbria Police 	
Likelihood Impact	2 4	8