

REPORT TO THE JOINT AUDIT COMMITTEE FOR LANCASHIRE PPC AND CHIEF CONSTABLE RISK MANAGEMENT ARRANGEMENTS

1. Background

In June 2015, the Audit Committee discussed the Constabulary Risk Management Arrangements (15 June 2015 Item Agenda Item 14). It was agreed at that meeting, that a representative from the Committee should visit the Force to gain a better understanding of the risk management process.

2. Visit

On 17 October 2015, Karol Sanderson met Supt Ian Dawson (Futures Team) and Janet Rhodes (Strategic Planning Officer)

3. Risk Governance

The risk management process is managed within the Futures Programme by Chief Superintendent Terry Woods & Superintendent Ian Dawson.

The current process was introduced in February 2014, following a review of the risk management process by the Deputy CC, Andy Rhodes.

Centralised Management Boards dealing with Risk (APPENDIX A)

Tactical Management Board (TMB)

Members : An ACC (Chair) , Superintendents or equivalent from each business area

Meets : Monthly

Considers operational and performance issues and identifies risk issues where appropriate

Operational Risk Management Group (ORMG) (APPENDIX B)

Members : Deputy CC (Chair), Terry Woods, Ian Dawson & Janet Rhodes

Meets : As required

Considers potential risk matters raised by TMB, or directly by Chief/ACCs.

This is the point at which, if appropriate an issue is added to the Register and scored using the Risk Pro-forma (**APPENDIX C**). The approval of the DepCC is required.

Strategic Management Board (SMB)

Members : Chief (Chair) , DepCC and Chief Supters

Meets : Monthly

Reviews the risk register and scoring every time it meets
Reviews performance figures and identifies risks arising.

Joint Boards : Police & PCC

Joint Development Group (JDG)

Members : PCC, Chief, and Chief Supers/Supers as appropriate for issues under discussion

Meets : As required

Identifies risk if appropriate from issues under review

Joint Management Board (JMB)

Members : PCC and Chief

Meets : Monthly

Discusses risk, but not every time.

4. Risk Process

Divisional Level

At Divisional level, there are risk registers dealing with local level risk e.g. Health & Safety. Every day, risk and threat meetings are held to identify resourcing issues, which are usually addressed within division by moving around available resource. Every month there are local tactical tasking meetings, addressing key events e.g. football match, demonstrations or an area peak in burglary. If divisional resources cannot deal with demands, this will be reported to the TMB, who will address the operational issues and/or identify risks arising.

Force level

Operational issues are discussed at the TMB. Issues will come here where:

- Divisional Commanders are unable to deal with demands
- national issues have been identified by Chief or DepCC

All papers are submitted to the TMB by the local owner and must follow a proforma including identifying and evaluating risk issues,. Examples of risks added :

- Vetting Codes - identified by SLT as something where force need to change processes.
- Rise in FOI demand requests, raised at Superintendent level

Dealing with Risk: Process Evolution System

This is a computer model used by the Futures team to model new systems, and to monitor the systems post-implementation.

Post-implementation, the futures team works closely with the operational managers to ensure the change process does not raise any problems. To date, implementation of revised systems has not caused any problems.

Finance Issues

Financial issues have not featured on the risk register because the Force's view was that they were being mitigated to such an extent that they did not feature as a risk - they were being managed down satisfactorily. Savings in line with budget requirements had been identified up to March 2017, the Force has one of the leanest back offices in the country, and HMIC has given the Force an "outstanding" rating for management of financial risk.

However, in October 2015, Financial Capability issues have been added to the risk register as "*Financial Forecasting & Spending Review*" with a score of 20. Ian Dawson accepted that score might better be assessed at 25 (the highest risk). This has been added as a risk because recent developments have raised concerns that the risk is not longer manageable. These are :

- Plan for 2016-21 requires significant transformation due to recently announced budget cuts of up to 40%
- Current proposed changes to the funding formula may result in the Force losing out significantly

Also added to the register in October 2015 is the Issue of Workforce Capability also with a score of 20. This has been added due to the impact of the financial forecasting upon workforce numbers : the Force could potentially lose another 650 officers. The Futures team is working to develop a new model for workforce capability and is working closely with HR to mitigate the impact and ether reduce the risk as far as possible

5. The Future

Planning

The Force is currently looking at re-evaluating process now and considering whether it could be improved e.g. considering a new Board- Strategic Resourcing Board looking at Finance and Futures and operating at TMB level.

Force Management Statements

The Force is working with Durham on this pilot initiative, which HMIC are planning to introduce nationally. The central issue is that a Force needs to know Demand in order to know whether resourcing is adequate. There are complex issues around identifying, understanding and articulating demand, in order to be satisfied that the Force has resource to meet it.

K Sanderson
October 2015