Grant Thornton

Police and Crime Commissioner for Greater Manchester and Chief Constable for Greater Manchester
Value for Money Findings Report

Year ended 31 March 2017

September 2017

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Value for Money

Background
We are required by section 21 of the Local Audit and Accountability Act 2014 ("the Act") and the NAO Code of Audit Practice ("the Code") to satisfy ourselves that the Police and Crime commissioner (PCC) and Chief Constable for Greater Manchester Police (GMP or ‘the Force’) have each put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at both the PCC and GMP. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the PCC and GMP have put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2015. AGN 03 identifies one single criterion for auditors to evaluate:

*In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.*

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Risk assessment
We carried out an initial risk assessment in early 2017, which we communicated to you in our Joint Audit Plan dated April 2017. We identified risks in respect of specific areas of proper arrangements using the guidance contained in AGN03.

Our risk assessment is a dynamic process and we have had regard to new events which took place since we issued our Audit Plan. We carry out work only in respect of the significant risks we identify from our initial and on-going risk assessment. Should our consideration of the significant risks determine that arrangements are not operating effectively, we will consider the impact of these gaps in arrangements on our VFM conclusion.

We have now completed our work in relation to the Value for Money conclusion.

Overall conclusion – Policing and Crime Commissioner
Based on the work we performed to address the significant risks, we are satisfied that, in all significant respects, the PCC had proper arrangements in place to secure economy, efficiency and effectiveness in their use of resources.

Overall conclusion – GMP Chief Constable
Based on the work we performed to address the significant risks, we are satisfied that, in all significant respects, the Chief Constable had proper arrangements in place to secure economy, efficiency and effectiveness in their use of resources.
Value for Money

Risk assessment

We previously carried out an initial risk assessment based on the NAO's guidance. In our initial risk assessment, we have considered:

- our cumulative knowledge of both the PCC and GMP, including work performed in previous years in respect of the VfM conclusions and the opinions on the financial statements;
- the findings of other inspectorates and review agencies, including Her Majesty’s Inspectorate of Constabulary (HMIC);
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information;
- any other evidence which we consider necessary to conclude on your arrangements.

The areas we said we would focus on to reach our VfM conclusion are set out opposite. Further detail and the work we planned to address each area are set out overleaf.

We set out findings later in this report in respect of these areas.
Value for Money findings

This has been a challenging year for the OPCC and the Force. 2016/17 was the final year of the existing “PCC” arrangements. From 7 May 2017, at the conclusion of the year of audit, the OPCC was abolished, the powers of the PCC were transferred to the newly elected Mayor of Manchester, and the assets and staff of the PCC were transferred to the Combined Authority. Whilst GMP remained unaffected in terms of its existing legal status and the corporation sole status of the Chief Constable, it is nonetheless affected by the change in governance and accountability surrounding the role of the PCC. It is particularly affected in that many of the joint arrangements that were previously in place with the PCC and OPCC are now either no longer in place or not necessarily feasible within the new Mayoral and Combined Authority relationship. This change in governance, structures and relationships, with much to be ironed out, comes at a time when Manchester has been dealing with some significant policing challenges on a regional and national scale, not least the recent terrorist attacks and large increases in demand.

At this early stage, governance arrangements are emerging. The Mayor has appointed a Deputy Mayor for Policing and Crime. Discussions have been taking place over exactly what form the governance arrangements will take. There are challenges to be overcome, given the ‘split’ in the Mayor’s role: PCC functions are to be exercised by the Mayor himself and/or his appointed deputy, and are not within the remit of the Combined Authority. Mayoral functions are subject to scrutiny by the Combined Authority. Emerging and transitional governance functions, put in place to enable the entities to function from day 1 of the election, now need to be reconsidered to ensure they are fit for purpose for the longer term, ensuring they appropriately reflect the requirements of the legal Order and the status of the Chief Constable as a legally separate corporation sole. The Mayor is also required to consult on and publish a Police and Crime Plan and set a direction for policing for the term of his office. It will be critical that this vision takes account of GMP objectives, the Force’s own strategic direction of travel and the progress made to date realising the strategic transformation envisaged from delivery of the Fit for Future (FFF) portfolio and proposed Target Operating Model (TOM).

Equally, GMP will need to be able to demonstrate it can align its current progress and direction of travel with that set out by the new Mayor.

We have noted several improvements in the overall structure and design of the transformation portfolio this year. Overall, arrangements continue to become more mature and improve incrementally over the previous iteration.

Management of the TOM has changed during 2016-17. ACC Shewan has been appointed as SRO for the Fit for the Future (FFF) portfolio as a whole in addition to his role as lead on the ISTP programme element of the FFF programme. He is leading the work to turn the TOM from a high level theoretical document into a more practical detailed depiction of the new approach to policing which the FFF portfolio supports. This alignment of these two key programmes has been a positive development and should increase the likelihood of success in the delivery of the overarching vision.

The SRO is working closely with Ernst & Young (EY), the GMP Transformation partner, to develop a Transition Plan, to bring the TOM alive and ensure it can be a practical document which can be shared and understood by the wider force. The SRO has rightly highlighted the cultural, behavioural and training changes and these will be critical to ensuring success.

The major IT change planned over the next year is the implementation of iOps. GMP has decided to go for the “Same day” approach to implementation proposed in the iOps Deployment approach and recently signed off by the Organisational Change Board (OCB). It will be important to ensure that the planning, testing and readiness assessment are robust given the inherent risk of this approach.

The new Performance Management regime is in its infancy. With its focus on 8 strategic areas it represents a change in direction in terms of performance management, with less focus on binary Red/Green indicators. A new performance report has been developed to support this change.

There continue to be many areas of positive travel in the ongoing development of the portfolio and implementation. We set out over the page the key residual areas of risk and recommendations from our review to date:
## Value for Money findings - recommendations

<table>
<thead>
<tr>
<th>No</th>
<th>Recommendation</th>
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<tbody>
<tr>
<td>1</td>
<td>Revisit emerging transitional governance arrangements to develop longer term provisions for an effective, future-proofed governance framework. Longer term governance provisions must: be legally compliant with the legislative requirements set out in the Order; be clear, transparent and understood; and demonstrate clarity over the role of the Mayor, in the form of the PCC, vs the role of the combined authority. The governance arrangements must also fully reflect and recognise the implications for the Force and the Combined Authority of the Chief Constable’s separate status as a corporation sole legal entity.</td>
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<td>Ensure the strategic objectives for the Force and the FFF portfolio and the emerging priorities of the police and crime plan are closely aligned. It will also be critical to be able to demonstrate how the police and crime plan priorities will be delivered through GMP's TOM.</td>
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<td>Ensure an efficient framework of oversight arrangements is in place that enables the Mayor to gain assurance over the delivery of plan priorities and other critical areas, and which GMP is able to service as part of its 'business as usual' operations.</td>
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<td>4</td>
<td>The Mayor should agree the key metrics required to monitor and measure performance across all of its delivery partners (which includes, but is not limited to, GMP), in respect of the emerging police and crime plan, so that the Mayor can, in simple terms, measure and articulate performance against each priority set out in the police and crime plan and evaluate and report on performance against the it, in its entirety. The Mayor should ensure reporting to the public is easily digestible, understandable and conveys key performance achievements against measurable factors.</td>
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<td>Identify and report regularly the performance of actual v predicted benefits to enable effective oversight over the performance of the portfolio, achievement and realisation of planned benefits (both in practice and in terms of required / planned quantum, and to enable effective mitigation to be taken where predicted benefits may not match the original plans.</td>
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<td>6</td>
<td>Ensure clarity over the operational benefits and how these are calculated and realised. GMP should put in place a process to measure the benefits delivered and productivity savings from the operational policing efficiencies identified.</td>
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<td>7</td>
<td>Develop clear plans for how productivity savings will be utilised to offset cost and demand pressures and to demonstrate effective redeployment of realised operational capacity benefits.</td>
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<td>8</td>
<td>Develop a process to measure benefits delivery to support payment of the EY contract.</td>
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<td>9</td>
<td>Put in place a detailed implementation plan covering the key areas of testing and business readiness as well as post implementation support to ensure a disciplined and controlled implementation of the new iOps solution.</td>
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<td>10</td>
<td>Address as a matter of urgency the points made by the independent assurance expert and ensure these are dealt with well ahead of iOps implementation in 2018.</td>
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<td>11</td>
<td>Provide a summary table in the performance management report to enhance performance monitoring effectiveness.</td>
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## Value for money

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

<table>
<thead>
<tr>
<th>Significant risk</th>
<th>Relevant to GMP/PCC or both?</th>
<th>Work proposed to address</th>
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| **1. Greater Manchester devolution**  
In May 2017, responsibility for oversight of policing in Greater Manchester will transfer to the Greater Manchester Combined Authority, with the new elected major taking on most of the powers of the current Police and Crime Commissioner (PCC). This will result in significant change to governance structures for oversight of policing within Greater Manchester. | Both | • We will update our understanding of the arrangements for transition of the OPCC to the new arrangements.  
• We will review emerging issues on governance, accountability and assurance arrangements, including considering the relationships between GMP, the OPCC and the Combined Authority.  
• We will assess the effectiveness of governance arrangements within the Force which are proposed to replace the current joint governance arrangements. |
| **2. Transformational change: Fit for the Future portfolio**  
There are a significant number of transformational change programmes ongoing, aimed at fostering innovative, flexible ways of working and encouraging a place-based focus to policing, relying on integrated working with local partners. A Target Operating Model (TOM) has been implemented for setting a future blueprint of work and aligning the current portfolio of transformation programmes with the overall strategic objectives.  
During 2016 GMP revised its arrangements for oversight of transformational change, including the appointment of a Portfolio Director and a dedicated ACC for Strategic Change. It is imperative to the long-term success of policing in Greater Manchester that the on-going transformational change programmes are subject to appropriate oversight and aligned with the overall strategic objectives set out in the TOM.  
We will assess how well the Force and PCC understand the global cost and benefits of the transformation portfolio, and how these are tied in to predict achievement of the wider financial savings requirements. | Both | • We will update our understanding of the overall vision and strategy for GMP and for how transformational change is monitored and overseen by senior officers.  
• We will consider the impact of the revised governance arrangements for oversight of transformational change and the extent to which the new structures have become properly embedded.  
• We will review progress made in ensuring that all transformation programmes are aligned with the TOM.  
• We will assess progress in developing a basket of measures to objectively monitor, measure and report progress against achievement of the organisation’s stated vision and strategic objectives.  
• We will assess understanding of the global cost and benefit of transformation programme and extent to which benefits envisioned are being realised. |
Value for money (continued)

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

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| **3. IS Transformation**                    | Both                         | • Update our understanding of the business case and benefits of the IS Transformation programme.  
                                           |                              | • Understand from reviews being undertaken how effectively the major risk of alignment to the overall TOM is being managed   
                                           |                              | • Assess benefits realisation against the business case and management of interdependencies within the wider portfolio |
| **4. Performance management**                | Both                         | • Update our understanding of new performance management regime and assess arrangements to achieve desired objectives, including arrangements for communicating performance with the public. |
| **5. Financial strategy**                   | Both                         | • We will examine the Medium Term Financial Strategy and related budget plans and assess how well this is linked to benefits to be derived from transformational change, as well as assess the savings gap achievability.  
                                           |                              | • We will look at internal financial management information to assess whether this is supporting and driving change appropriately. |

The IS transformation is a substantial programme, forming a key plank of the support services, and being delivered with a strategic partner. This element of the overall change is an important enabler for many of the other changes relying on a technical platform. We will assess high level progress and governance of this programme.

We recommended last year that, now that deployment had begun, a periodic assessment of overall benefit against the business case be undertaken so that assumptions can be borne out or changes made to maximise overall results.

The Force is developing a new performance management regime, moving away from KPIs and focusing on threat, risk and harm. The new approach aims to focus on what is at the heart of performance related issues.

In recent years GMP has performed well in terms of delivery of planned revenue savings. However, there remains a challenge in ensuring that investment in transformational change is being used in the most effective manner and in ensuring clear reporting of the costs of delivering transformation programmes relative to the expected benefits to be realised.

£44m of savings are likely to be required over the coming four years, with £14m needed in 2017/18.
1. Greater Manchester Devolution

Greater Manchester devolution

2016/17 was the final year of the existing “PCC” arrangements. From 7 May 2017, at the conclusion of the year of audit, the OPCC was abolished, the powers of the PCC were transferred to the newly elected Mayor of Manchester, and the assets and staff of the PCC were transferred to the Combined Authority. Whilst GMP remained unaffected in terms of its existing legal status and the corporation sole status of the Chief Constable, it is nonetheless affected by the change in governance and accountability surrounding the role of the PCC. It is particularly affected in that many of the joint arrangements that were previously in place with the PCC and OPCC are now either no longer in place or not necessarily feasible within the new Mayoral and Combined Authority relationship. This change in governance, structures and relationships, with much to be ironed out, comes at a time when Manchester has been dealing with some significant policing challenges on a regional and national scale, not least the recent terrorist attacks and large increases in demand.

At this early stage, governance arrangements are emerging. The Mayor has appointed a Deputy Mayor for Policing and Crime. Discussions have been taking place over exactly what form the governance arrangements will take. There are challenges to be overcome, given the ‘split’ in the Mayor’s role: PCC functions are to be exercised by the Mayor himself and/or his appointed deputy, and are not within the remit of the Combined Authority. Mayoral functions are subject to scrutiny by the Combined Authority. Early, transitional governance arrangements put in place to enable the entities to function from day 1 of the transition now need to be re-considered and subject to collective planning and agreement to develop a long-term governance framework that fully recognises the implications of the Chief Constable’s (and by extension, the Force’s) separate status as a corporation sole and a legal entity in its own right, and the legal requirement that decisions affecting the police fund remain only a matter for the Mayor, in the guise of the PCC, rather than the combined authority. This is a unique arrangement within the Greater Manchester combined authority area and will require arrangements that differ from the usual local authority decision making frameworks.

The Mayor is also required to consult on and publish a Police and Crime Plan and set a direction for policing for the term of his office. It will be critical that this vision takes account of GMP objectives, the Force’s own strategic direction of travel and the progress made to date realising the strategic transformation envisaged from delivery of the Fit for Future (FFF) portfolio and proposed Target Operating Model (TOM). Equally, GMP will need to be able to demonstrate it can align its current progress and direction of travel with that set out by the new Mayor.
1. Greater Manchester Devolution

The Mayor is currently developing the police and crime plan priorities and has mentioned a commitment to increasing officer numbers. He has not yet stated how he plans for this increase to be funded. GMP, in all aspects of its transformation, is strategically focusing on place-based policing. It is important to ensure that there is a strong alignment of the emerging plans for both the Mayor, in his capacity as the PCC, and GMP. The Force’s strategic direction will need to dovetail with the priorities of the emerging police and crime plan. Crucially, the police and crime plan will also need to take account of the Force’s direction to date and the investment made in the strategic direction and vision proposed, to ensure outcomes are proposed that are deliverable, achievable and affordable. It will also be critical to be able to demonstrate how the police and crime plan priorities will be delivered through GMP's target operating model.

The strategic objectives of GMP’s FFF portfolio will need to align with the new Police and Crime Plan. The work undertaken by GMP to date in developing its vision and target operating model can usefully inform the conversation on how to achieve the emerging priorities that may form the new Plan. There is an opportunity to minimise the time cost of 'disconnected visions'. Collaboration and time investment upfront removes the need, once plans have been finalised, to 'reconcile' the objectives of each if developed in relative isolation and mitigates the need to undertake further work to demonstrate how the police and crime plan priorities are deliverable and achievable within the MPS plans. There is a need for Plan and Force priorities to be aligned at an early stage of development to avoid the need for 'reconciliation’ of priorities at a later date.

In the longer term, GMP should consider how it will build sufficient flexibility into the TOM to ensure it is ‘future-proofed’ – able to adapt flexibly to changing priorities and objectives in future police and crime plans following future Mayoral elections.

Supporting this, a system and framework of oversight arrangements will need to be in place that enable the Mayor to gain assurance over the delivery of plan priorities and other critical areas, and which GMP is able to service as part of its 'business as usual' operations. It is also important to minimise the burden of performance reporting by reducing fragmentation and ensuring a risk based approach is adopted. An alignment of reporting requirements is needed between the Force’s own arrangements, currently in the process of being updated, and the oversight requirements necessary to enable the Mayor to perform his statutory functions as they relate to the PCC’s role. This alignment will be essential to efficient and effective governance and oversight, and should be based on the principle that one set of data should be able to drive multiple objectives, whether that is Force reporting for its own governance and management purposes, or Mayoral requirements for oversight and scrutiny purposes.
1. Greater Manchester Devolution

Oversight arrangements should also be aligned with the requirements of the developing police and crime plan priorities to enable an integrated strategic reporting framework that streamlines reporting requirements and allows single source data systems to satisfy the needs of multiple stakeholders, both within GMP and out to the Mayor.

The Mayor’s Office will need to ensure it reports transparently and concisely to the public in the progress of achievement against forthcoming police and crime plan priorities. Capturing and measuring performance, and reporting on said performance to the public in a way that is easily digestible, understandable and transparent, will be a critical task. This will involve identifying clear, easily understood performance measures to enable progress against the ambitions in the emerging plan to be reported. The importance of this, in terms of demonstrating progress against the Police and Crime Plan, to enable the electorate in Manchester to hold the Mayor to account, cannot be overstated.

**Recommendation:** Revisit emerging transitional governance arrangements to develop longer term provisions for an effective, future-proofed governance framework. Longer term governance provisions must: be legally compliant with the legislative requirements set out in the Order; be clear, transparent and understood; and demonstrate clarity over the role of the Mayor, in the form of the PCC, vs the role of the combined authority. The governance arrangements must also fully reflect and recognise the implications for the Force and the Combined Authority of the Chief Constable’s separate status as a corporation sole legal entity.

**Recommendation:** Ensure the strategic objectives for the Force and the FFF portfolio and the emerging priorities of the police and crime plan are closely aligned. It will also be critical to be able to demonstrate how the police and crime plan priorities will be delivered through GMP’s TOM.

**Recommendation:** Ensure an efficient framework of oversight arrangements is in place that enables the Mayor to gain assurance over the delivery of plan priorities and other critical areas, and which GMP is able to service as part of its ‘business as usual’ operations.

**Recommendation:** The Mayor should agree the key metrics required to monitor and measure performance across all of its delivery partners (which includes, but is not limited to, GMP), in respect of the emerging police and crime plan, so that the Mayor can, in simple terms, measure and articulate performance against each priority set out in the police and crime plan and evaluate and report on performance against the it, in its entirety. The Mayor should ensure reporting to the public is easily digestible, understandable and conveys key performance achievements against measurable factors.
2. Transformational Change: Fit for the Future Portfolio

Overview

We have noted several improvements in the overall structure and design of the transformation portfolio this year. Overall, arrangements continue to become more mature and improve incrementally over the previous iteration.

The overall vision and strategy

The Fit for the Future (FFF) portfolio was envisaged as a 5 year programme covering the period up to 2020 and is currently half way through. At the most recent senior leadership meeting, the Chief Constable initiated discussion around extending the vision to 2022 and thinking about what actions are to be taken beyond the initial 5 year timeframe. During the year it was felt that existing transformation schemes were not moving fast enough and a piece of work was performed looking at the roadmap to 2020 to consider what projects and building blocks were needed to meet the objectives set to be met by 2020. Following a detailed analysis of the Integrated Operational Policing System (iOPS) programme, a key programme of the FFF portfolio, the Chief Officers Group (COG) authorised a change to the Go Live date for the programme from November 2017 to March 20th 2018. The main rationale for this change was that a delayed implementation would facilitate a better integration with all the associated systems of the Force and would therefore maximise the business benefits of the programme.

Impact of the revised governance arrangements for oversight of transformational change

There are a number of different governance structures in place for governing changes. The following governance groups exist relating to Design:

1. **Business and Technical Architecture Group** - this group is used as a forum for:
   - reviewing proposed ideas for projects or for change programmes
   - Discussing mandates which have been produced with IS and business owners
   - Deciding whether the ideas/projects should go to the Strategic Design Authority
2. Transformational Change: Fit for the Future Portfolio

2. **Strategic Design Authority** which meets to consider the design of approved programmes.

The following governance groups exist relating to **Delivery**:

3. **Change Monthly portfolio meeting** – this meeting exists to provide challenge to the project and programme highlight reports produced by the relevant managers

4. **Strategic Change and Coordination Group** which focuses on ensuring the overall Transformation programme remains on track to deliver its benefits and focuses on those areas of highest risk.

Governance arrangements are robust with the chain of Project to Programme to Change Board working effectively, and the monthly Board pack reviews ensuring progress and delivery of actions required.

**Alignment with the TOM**

A new role was created in 2016, ACC for Strategic Change, to better coordinate and structure the work of the TOM. As well as taking the lead on the TOM, this role has also assumed the role of joint SRO of the ISTP/iOps programme, so aims to ensure that this programme dovetails with the FFF programme and maximises the alignment with the TOM. Ernst & Young (EY) were commissioned to refresh the TOM and, under the direction of the ACC for Strategic Change, have developed a prioritised and sequenced piece of work which has as its aim to provide a roadmap for delivering the TOM. Part of this work has involved developing a plan to implement the cultural, behavioural and training changes required to bring all staff in line with the TOM and realise the benefits envisaged in the transformation programme. The output of this piece of work, due in September 2017, is a 3-5 year costed, prioritised and sequenced Transformation plan which will then provide the base for driving the TOM forward.
2. Transformational Change: Fit for the Future Portfolio

Progress in developing a basket of measures to objectively monitor, measure and report progress against achievement of the organisation’s stated vision and strategic objectives.

During the year, the Project Management Office (PMO) developed a dashboard summarising the key issues around change, to better assist the decision making of SROs (see example opposite). This is a welcome addition to the programme management toolkit and has assisted in ensuring the governance meetings are sharply focused on the key issues.

Understanding of the global cost and benefit of transformation programme and extent to which benefits envisioned are being realised

ACC Strategic Change maintains control of the programme budget and has seconded in a senior member of the Finance team to support with financial control of the programme. Finance staff attend all the key governance meetings and take a lead in monitoring costs and benefits under the direction of the ACC Strategic Change. All project business cases related to the programme are ultimately signed off by COG.

A summary of the performance of actual v predicted benefits does not exist at present though it is possible to create this via the Gate 5 closure notices going back over the period of the programme. This means up to date information on benefit realisation is neither readily available nor monitored. This may hinder the Force’s ability to demonstrate the effectiveness of the portfolio in generating the planned benefits, and/or may mean benefits deterioration is not transparent or identified sufficiently early to enable corrective or alternative action to be taken to ensure the overall benefits requirement remains on track.

Recommendation: Identify and report regularly the performance of actual v predicted benefits to enable effective oversight over the performance of the portfolio, achievement and realisation of planned benefits (both in practice and in terms of required / planned quantum, and to enable effective mitigation to be taken where predicted benefits may not match the original plans.)
3. IS Transformation

**Business Case and Benefits of the IS Transformation programme**

The IS Transformation programme (ISTP) comprises the following projects: iOPS, Integration, Mobile, IS Branch TOM, Data Centre, and Data (comprising 3 data projects Data Warehouse, Data Quality, Data Migration). Integration, Mobile and IS Branch TOM have been delivered. Two main types of benefits will be delivered from the ISTP:

1. Hard financial benefits, namely cash savings arising from staff reductions
2. Operational policing benefits (namely the freeing up of Police officer time due to them not having to return to the office to upload/download data/findings, and other capacity released from transformed ways of working made possible by the ISTP)

Financial benefits are being realised for the projects delivered to date though are now phased over a longer timescale than was originally planned. These have largely come from reductions in staffing.

The operational policing benefits are not as easy to measure. They represent productivity gains arising from realising capacity by implementing the transformed ways of working, and the effective deployment of this capacity to offset future cost and demand pressures – for example using this capacity to work more closely with communities and carrying out more preventive types of work that will ultimately reduce demand on the Force. It is not clear that GMP have measures in place to identify the realisation of these benefits, or demonstrate that these are fully realised benefits. This is an issue that has also been raised by independent assurance expert, Gerry Pennell. Transitional from change into business as usual is where greatest risk lies. This relies on changing behaviours and ways of working to realise the benefits. Importantly, once non-cash benefits and productivity benefits have been verified, it is crucial there are plans in place to identify and offset future cost and demand pressures.

Quantifying and redeploying effectively the productivity gains realised by the transformation programme and transitioning these into the “business as usual” activity of the Force are key to demonstrating the overarching success of the portfolio and ultimately driving down organisational costs by offsetting budgetary and demand pressures. This is even more critical in light of the potential Mayoral ambition to increase officer numbers which, on the face of it, risks driving up costs and could, without effective communication of the benefits achieved and how they are benefitting the organisation, lead to simplistic assumptions being drawn that transformation ambitions have not been achieved on the basis that costs are increasing. This risk can be countered with effective quantification of benefits, clear plans for redeployment of realised productivity gains, and clear demonstration of how this redeployment is offsetting cost pressures elsewhere.

**Recommendation:** GMP should put in place a process to measure the benefits delivered from the operational policing efficiencies identified.

**Recommendation:** There should be clear plans for how productivity savings will be utilised to offset cost and demand pressures and to demonstrate effective redeployment of realised operational capacity benefits.
3. IS Transformation

*Business Case and Benefits of the IS Transformation programme - continued*

EY have worked with the programme to assist in the delivery of benefits from the programme. Part of the contract stipulates that they are paid annually based on the delivery of benefits at various milestones in the process (years 1, 2 and 3). It is important that GMP has a process in place to be able to accurately measure whether the benefits have been delivered before the EY payments can be authorised.

**Recommendation:** Develop a process to measure the benefits delivery in order to support payment of the EY contract.

Two of the remaining two projects still to be delivered, iOPs and the Data Warehouse, have continued through this year with iOPs now scheduled for Go Live on 20 March 2018. The scope of the iOPs project is currently in the process of being extended to include additional functionality around root cause problem solving and specifically to ensure that Capita’s IT solution can incorporate the functionality required to facilitate root cause problem solving. There are also some changes around the Contact Centre which will allow Contact Centre operatives more support in the problem solving approach and which will potentially allow them to deal with more calls at the first point of contact rather than passing on calls to Police officers/other SMEs.

Ensuring a successful Go Live for the iOps programme is critical and to that end the choice of a “Same Day” approach to Go Live, as set out in the “iOps Deployment Approach” paper is key. In order to ensure this is successful, a disciplined and controlled implementation of the new iOps solution is critical. A robust, planning, testing and business readiness approach will be very important.

**Recommendation:** GMP should quickly put in place a detailed implementation plan covering the key areas of testing and business readiness as well as post implementation support.
3. IS Transformation

Management of interdependencies within the wider portfolio

Interdependencies are managed robustly in two ways:

1) In the ISTP where interdependencies are managed via weekly meetings assessing the interdependencies across all the IT related projects

2) In the PMO via risks and issues management, progress reporting and calling out of up and coming dependencies at weekly meetings. The governance structure via the Business Technical and Architecture Group (BTAP) and the Strategic Design Authority (SDA) ensures that business owners and IT managers are involved in the design and understand the impact of interdependencies. A Dependencies matrix has been introduced by PMO in the past year to facilitate this process. The area of interdependencies and managing these proactively is a critical one in ensuring successful transformation. It will be critical to maintain the focus on this as the IT element of the transformation portfolio gathers pace and ahead of implementation in March 2018.
3. IS Transformation

Independent assurance Expert Comments

In his latest report (dated May 2017), independent assurance expert, Gerry Pennell, made comments re the iOps implementation as follows:

“Given the ‘big bang’ nature of the deployment and the scale of the impact on GMP’s operation and its criticality, I would counsel that considerable thought is given to ‘operational proving’ before going live. By this, I mean more than the conventional User Acceptance Testing (UAT) which usually serves to prove whether or not the software delivers to its specification. However, UAT does not necessarily surface any issues that relate to the impact of the new IT on the operation in terms of process impact, required workarounds, training gaps etc. In most situations, this aspect is addressed through the establishment of some form of pilot implementation or operational simulation.

In addition, at the same time GMP will be operating largely new service management processes in IS Branch which should also be exercised in the context of the new iOPS implementation.

I appreciate that there are some real logistical challenges in standing up an effective operational testing/rehearsal opportunity - however, those challenges need to balanced against the risk of encountering major operational issues when going live.”

He also made a point about the IS Branch readiness:

“I remain concerned that the GMP does not have adequate involvement with iOPS from a technical perspective. Ownership for the iOPS solution must be adopted within IS Branch well before EY’s involvement with the programme is complete. There will undoubtedly be changes and amendments to be made after the first release(s) of iOPS go live and GMP need to be able to manage that effectively and provide effective technical oversight. Since my last report, GMP have made good progress in recruiting to the new IS Target Operating Model (TOM) but there are still some significant gaps – notably around architecture.

I am also concerned that, although there are some contingency plans, there is still no real solution in place for the retention of critical staff required to support legacy systems. Furthermore, I now understand that a number (10) of the newly appointed staff in the structure have been appointed on reduced terms, albeit with their current conditions protected for a period. This also may imply a risk of instability in the structure especially when pressures mount e.g. around major implementations.”

We concur with this assessment and recommend action is prioritised in response.

**Recommendation:** GMP should address as a matter of urgency the points made by the independent assurance expert and ensure these are dealt with well ahead of iOps implementation in 2018
4. Performance Management

New Performance Management Regime

The performance management regime has been changed in the past year and now focuses on 8 key strategic areas which are assigned to and managed by a strategic lead each. These are:

- Crime standards (crime recording and investigation);
- Serious and Organised crime;
- Vulnerability;
- Cyber crime;
- Counter-terrorism;
- Demand reduction;
- Resource management;
- Data quality.

During 2016/17 the Force has also developed and introduced a Combined Performance Management System (CPMS) which is employed to provide an understanding of critical questions underpinning performance in local business areas. The CPMS has been developed in the Force as a methodology through which issues and problems can be explored to identify underlying critical underlying enablers and inhibitors, in order to develop sustainable solutions.
4. Performance Management

New Performance Management Regime (continued)

The Force is in the process of updating its wider governance arrangements. Linked with this is the development of the Force’s new performance management framework. It is currently early in the lifecycle of the new regime and processes are still bedding in. As the governance arrangements continue to emerge the newly established Operational Committee (OpsCo) will take on a greater role in performance monitoring.

Performance management governance is currently effected via two committees:
- Strategic Intelligence & Performance Committee (SIPC)
- Monthly Intelligence & Performance Review (MIPR)

There are also other governance meetings locally (see table opposite for examples of these) which feed into the two main performance monitoring meetings.

A quarterly report is produced for the PCC. This summarises for each strategic priority what has happened in the past quarter. The report is informative though very much discursive and may benefit from a summary table at the front of the report with key highlights of the past quarter. The Force has steered away from a red/green binary approach but there is merit in providing some type of summary assessment of progress against performance objectives.

Recommendation: Provide a summary table in the performance management report to enhance performance monitoring effectiveness.
5. Financial Strategy

MTFS and links to change from Transformation projects

The MTFS, which is called the Strategic Financial Outlook (SFO), is to be published in September 2017. The Force is currently on track to meet the savings targets. Additionally, going forward there is potential for further savings not yet included in the SFO, for example:

- Strategic Head Office review
- Accommodation rationalisation (moving from 7 main buildings to 4. This could potentially generate significant savings though as yet the business case has not been fully developed so no savings have been included in future plans
- Investigation & Safeguarding Review which involves driving efficiencies from the way in which detectives are deployed. The Force believes this could save up to £10m (business case now going to Strategic Design Authority).

The Force has also entered into a number of collaborations to try and reduce its back office costs, for example:

- HR services shared with Trafford Council
- Fleet collaboration with Manchester City Council (MCC)
- Design & Print with MCC

We note that the SFO indicates that GMP will continue to deliver a balanced budget over the medium term without having draw down significantly on revenue reserves.
5. Financial Strategy

**MTFS and links to change from Transformation projects**

The savings that relate to the Transformation Programme are included under “Future Police Staff Establishment Reductions” in the SFO and are built up as follows:

<table>
<thead>
<tr>
<th></th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Collaboration with Trafford</td>
<td>0.31</td>
<td>0.23</td>
<td>0.22</td>
<td>0.24</td>
</tr>
<tr>
<td>HR Retained Service</td>
<td>-0.01</td>
<td>-0.11</td>
<td>-0.12</td>
<td>-0.13</td>
</tr>
<tr>
<td>ISTP- Mobile</td>
<td>-0.63</td>
<td>-0.96</td>
<td>-0.97</td>
<td>-0.98</td>
</tr>
<tr>
<td>ISTP- TOM</td>
<td>-1.14</td>
<td>-2.52</td>
<td>-2.49</td>
<td>-2.42</td>
</tr>
<tr>
<td>Custody</td>
<td>-0.15</td>
<td>-0.42</td>
<td>-0.45</td>
<td>-0.23</td>
</tr>
<tr>
<td>CJ</td>
<td>-0.07</td>
<td>-0.08</td>
<td>-0.08</td>
<td>-0.06</td>
</tr>
<tr>
<td>Crime Prevention</td>
<td>-0.05</td>
<td>-0.06</td>
<td>-0.06</td>
<td>-0.05</td>
</tr>
<tr>
<td>PEC</td>
<td>-1.01</td>
<td>-1.02</td>
<td>-1.03</td>
<td>-1.04</td>
</tr>
<tr>
<td>Mounted Unit</td>
<td>-0.16</td>
<td>-0.20</td>
<td>-0.20</td>
<td>-0.20</td>
</tr>
<tr>
<td>CCTV Retrieval Van</td>
<td>-0.11</td>
<td>-0.11</td>
<td>-0.11</td>
<td>-0.11</td>
</tr>
<tr>
<td>PEC's Shift Changes</td>
<td>-0.25</td>
<td>-0.25</td>
<td>-0.25</td>
<td>-0.25</td>
</tr>
<tr>
<td>Strategic Core &amp; Business Support</td>
<td>0.00</td>
<td>-3.81</td>
<td>-3.85</td>
<td>-3.89</td>
</tr>
<tr>
<td>Divisional Support</td>
<td>0.00</td>
<td>-2.98</td>
<td>-3.01</td>
<td>-3.04</td>
</tr>
<tr>
<td></td>
<td>-3.27</td>
<td>-12.29</td>
<td>-12.39</td>
<td>-12.17</td>
</tr>
</tbody>
</table>

It is important that the Force, and Mayor, are alert to how critical any slippage is in the FFF portfolio to the savings set out in the SRO, and the impact of any slippage on the delivery of the benefits envisaged by the FFF. It is also critical that the risk of slippage and its impact on the SRO is detected at an early stage.

**Internal Financial Management Information**

Financial management information is provided on a project by project basis and reported up via the governance process within highlight reports. Each project has an assigned accountant who has responsibility for advising the project on its calculation and reporting of costs and benefits.
### Appendix 2: Update of recommendations from our 2015/16 report

<table>
<thead>
<tr>
<th>Rec No.</th>
<th>Recommendation</th>
<th>Management response</th>
<th>Auditor comment on status of action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>GMP should develop a basket of measures which will inform stakeholders on the impact of transformational changes. The basket of measures should draw on best practice and should develop into a continuous improvement tool. We recommend this is done sooner rather than later to inform the actions required to deliver the strategic vision.</td>
<td>Mark Brown (MB), the Change manager, has sought to bring more structure to transformation arrangements. During the year, MB has developed a dashboard summarising key issues around change, to better assist the decision making of SROs.</td>
<td>Complete. This recommendation has been taken forward.</td>
</tr>
<tr>
<td>2.</td>
<td>GMP should consider its arrangements for succession planning as key members transition to new roles and as the portfolio moves from design to implementation</td>
<td>MB has introduced a process whereby When someone leaves, the departing individual is required to produce handover documentation, an appropriate period of due diligence takes place between the person leaving, and their replacement to ensure that appropriate handover occurs</td>
<td>Complete.</td>
</tr>
<tr>
<td>3.</td>
<td>We recommend that the Force ensure that contractual incentives for future engagements take account of the broader portfolio in terms of realisation of benefit. It will be important to be clear which strategic partner is contractually liable for each benefit and how the risk is shared between the Force and its partners.</td>
<td>This has been taken into account in respect of the new EY contract.</td>
<td>Complete.</td>
</tr>
</tbody>
</table>
## Appendix 2: Update of recommendations from our 2015/16 report

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>4.</td>
<td>Following the gap analysis, the Force should seek to develop an overall financial picture of the portfolio which includes spend and benefits to date, in progress and potential future needs. Applying appropriate variance analysis and risk management would then better inform the overall investment landscape and ease potential decisions on future business cases</td>
<td>The Force is in the process of refreshing and updating anticipated benefits and costs as part of the development of the roadmap.</td>
<td>Action remains ongoing in this area. We will revisit in 2017/18.</td>
</tr>
<tr>
<td>5.</td>
<td>Following the gap analysis and development of the portfolio financial model, the SFO, informed from the programme teams, should seek to clearly portray the transformational change investment, with clear assumptions against both cashable and non-cashable benefits. This needs to be distinct from Business as Usual to better aid challenge and inform investment decisions going forward</td>
<td>The Force is in the process of refreshing and updating anticipated benefits and costs as part of the development of the roadmap.</td>
<td>Action remains ongoing. We will revisit as the TOM Roadmap Case for Change and Business Case is developed.</td>
</tr>
</tbody>
</table>
## Appendix 2: Update of recommendations from our 2015/16 report

<table>
<thead>
<tr>
<th>Rec No.</th>
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</thead>
<tbody>
<tr>
<td>6.</td>
<td>Re the Transformation reserve balance of £14.8m consideration should be given</td>
<td>Neville Norton confirmed that the Transformation Reserve currently stood at £18m and the plans were to use £3m per annum of this from 2018-19 onwards which would leave a total of £9m at the end of the period in question. The Transformation reserve has largely been used for redundancy expenditure, flexible resources, resources of a more specialist nature and smoothing of savings over time. However it is only used for non recurrent expenditure</td>
<td>Complete</td>
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<tr>
<td></td>
<td>(informed by the action in recommendation 5 below) to plans detailing how this</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>money may be used to support transformation and whether it could be used to</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>offset planned future borrowing</td>
<td></td>
<td></td>
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<tr>
<td>7.</td>
<td>It is recommended that a periodic assessment of overall benefit against the</td>
<td>This has been taken into account in the agreement of the EY contract, where payments are linked to benefits. There now needs to be a process in place to measure the benefits. This has been explored further this year.</td>
<td>Action remains ongoing. Recommendation superseded by new recommendation this year.</td>
</tr>
<tr>
<td></td>
<td>business case is undertaken so that assumptions can be borne out or changes</td>
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<td></td>
<td>made that maximise overall results. If it is established that other IS projects</td>
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<td></td>
<td>are linked to this then they need to be included to give a realistic picture of</td>
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<td></td>
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<tr>
<td></td>
<td>the overall return on investment</td>
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</tbody>
</table>
The Joint Value for Money Findings for the Police and Crime Commissioner for Greater Manchester and Chief Constable for Greater Manchester | 2016/17