



Meeting	Audit, Risk and Assurance Committee
Date	17 January 2023
Location	Video Conference
Title of Paper	Police Scotland Best Value update
Presented By	Alasdair Corfield, Head of Best Value
Recommendation to Members	For Discussion
Appendix Attached	Yes - Best Value Briefing

PURPOSE

This paper provides ARAC with an update on Police Scotland’s recent progress in assuring adherence to the Best Value duty.

Members are invited to discuss the content of this paper.

1. INTRODUCTION

- 1.1 Police Scotland has a duty to secure Best Value, as set out in the 2012 Act and in the Scottish Public Finance Manual (SPFM).
- 1.2 The Audit Scotland Annual Audit Report for 2021/22 drew attention to this duty and recommended that Police Scotland “*take a systematic approach to self-evaluation and continuous improvement*”.
- 1.3 Police Scotland has developed an approach, based on self-assessment principles, supported by (but not restricted by) toolkits that have been widely used by Audit Scotland in assessing local authorities’ Best Value performance.
- 1.4 Best Value assurance is vital in demonstrating that Police Scotland is optimising its use of resources; this has never been more important than now, given the current financial constraints and the levels of public scrutiny.
- 1.5 We are not aware of any immediate plans for scrutiny bodies to undertake a Best Value assessment of Police Scotland, however, this in no way detracts from the importance of developing this work and providing assurance to the Chief Constable. It is likely that any future scrutiny will be undertaken jointly by Audit Scotland and HMICS.

2. PROGRESS AND NEXT STEPS

- 2.1 Police Scotland Corporate Management and People Board (CMPB) has recently approved that a Best Value pilot be undertaken. The Procurement toolkit was selected for this purpose and the work in completing the self-assessment is currently being undertaken by the Procurement team. It is anticipated that the pilot work, including the review/ challenge phase, will be completed by 31 March 2023.
- 2.2 Following completion of the pilot, a plan will be set out for the completion of Best Value assessments over the next year or so. This will be taken to Police Scotland’s CMPB for consideration and endorsement.
- 2.3 Work will be initiated on a staggered basis such that a number of assessments will be in train at any one time. It is currently expected that an initial phase including all 18 toolkits, can be

completed within approximately 3 years, however this is dependent on a number of factors that are not currently established/clear.

- 2.4 The results of each assessment will be reported into Police Scotland, ultimately to the Strategic Leadership Board.
- 2.5 It is proposed that ARAC will be kept apprised of progress by means of a brief report, brought twice per annum.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications in this report.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications in this report.

5. LEGAL IMPLICATIONS

- 5.1 There are legal implications in this report, associated with the Best Value duty.

6. REPUTATIONAL IMPLICATIONS

- 6.1 There are reputational implications in this report, as Best Value is in essence, a duty to the taxpayers and communities that we serve.

7. SOCIAL IMPLICATIONS

- 7.1 There are no social implications in this report.

8. COMMUNITY IMPACT

- 8.1 There are no community implications in this report.

9. EQUALITIES IMPLICATIONS

- 9.1 There are no equality implications in this report.

10. ENVIRONMENT IMPLICATIONS

- 10.1 There are no environmental implications in this report.

RECOMMENDATIONS

Members are invited to discuss the content of this paper and provide views.





POLICE
SCOTLAND

POILEAS ALBA

FINANCE

Best Value (BV) briefing

Audit, Risk and Assurance Committee
17 Jan 2023

Contents

	<u>Page</u>
'Best Value' overview	3
Need for Change	4-5
Role of BV function	6-8
BV function – service delivery	9-14
Next steps – pilot	15

‘Best Value’ overview

- Under the Police and Fire Reform (Scotland) Act 2012, it is the *“statutory duty of the Chief Constable to make arrangements which secure best value for the Police Service”*.
- The duty of Best Value as set out in the **Scottish Public Finance Manual (SPFM)** is as follows:
 - *“To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost”*; and
 - *“To have regard to economy, efficiency, effectiveness (VFM), the equal opportunities requirements and to contribute to the achievement of sustainable development”*.
- **SPFM** outlines **seven key themes** which define the duty of Best Value:
 - Generic themes**
 - Vision and leadership
 - Effective partnerships
 - Governance and accountability
 - Use of resources
 - Performance management
 - Cross-cutting themes**
 - Equality
 - Sustainability
- In **summary**, the duty of Best Value requires public bodies to:
 - Take a systematic approach to **self-evaluation** and continuous improvement
 - Demonstrate achievement of **continuous improvement in performance outcomes**

Need for Change

The proposal is for a distinct, centralised **‘Best Value function’ to support the Chief Constable in discharging his statutory duty** and the Force Executive in demonstrating they meet their Best Value responsibilities.

In addition to statutory duties, there are two broad drivers of demand for this proposal:

- **Increase in demand on existing resource** – as a result of operational demand and growth, in addition to indications following the recent SG Resource Spending Review, the demand on existing resource will grow significantly year-on-year. This results in an increasing priority for the Force to achieve maximum value and utility from all available resource.
- **Increase in external scrutiny / reputational risk** – The Auditor General can choose to examine arrangements to secure Best Value. Audit Scotland has recommended that Police Scotland *“take a systematic approach to self-evaluation and continuous improvement”*. It is likely that any future scrutiny review will be undertaken jointly by Audit Scotland and HMICS. (NB Local authorities are subject to full Best Value audits in 5-year cycles, but no such established framework currently exists, for Scottish Government bodies.)

Need for Change (contd.)

Best Value – Risks & Opportunities

Risks	Opportunities
<ul style="list-style-type: none"> • Failure to meet statutory duties. • Failure to demonstrate/evidence compliance • Failure to effectively manage growth in operational/financial demands. • Reputational damage due to adverse scrutiny findings. Increase in external scrutiny. 	<ul style="list-style-type: none"> • Enable effective and sustainable management of operational and financial demands. • Reputational benefits with Scottish Government, the communities we serve and key stakeholders. • Upskilling key stakeholders across the force – capable of delivering long-term value and positive outcomes.

“The 2020/21 audit of South Lanarkshire College” – Auditor General, April 2022

- “independent auditor was **unable to conclude** that governance arrangements in South Lanarkshire College were satisfactory”
- “The board agreed to **suspend the principal and interim clerk...** The chair of the board voluntarily stepped aside from his role”

“The Audit of Best Value and Community Planning – Aberdeen City Council” – Audit Scotland, May 2008

- “We are **concerned** that the council believes that the organisational structure is **fit for purpose**”
- “there is a case for the organisational structure to be simplified and for **effective leadership to be put in place**”

“Shetland Islands Council agrees review after report” – BBC, November 2010

- “Councillors in Shetland have agreed a **root and branch review** of the island authority. It follows the Accounts Commission saying the council had “serious problems” and needed to change.”
- “Report said the council had **problems with leadership, financial management and accountability.**”

“Scotland’s Crofting Commission is dysfunctional and weak, say MSPs” – BBC, February 2022

- “Crofting Commission is **dysfunctional with “unacceptable weakness” in its leadership, a Holyrood committee has warned.**”
- “Auditor General severely criticised the commission in his examination of the regulator last year.”

“Former Transport Scotland chief denies ferries contract was rushed” – STV News, May 2022

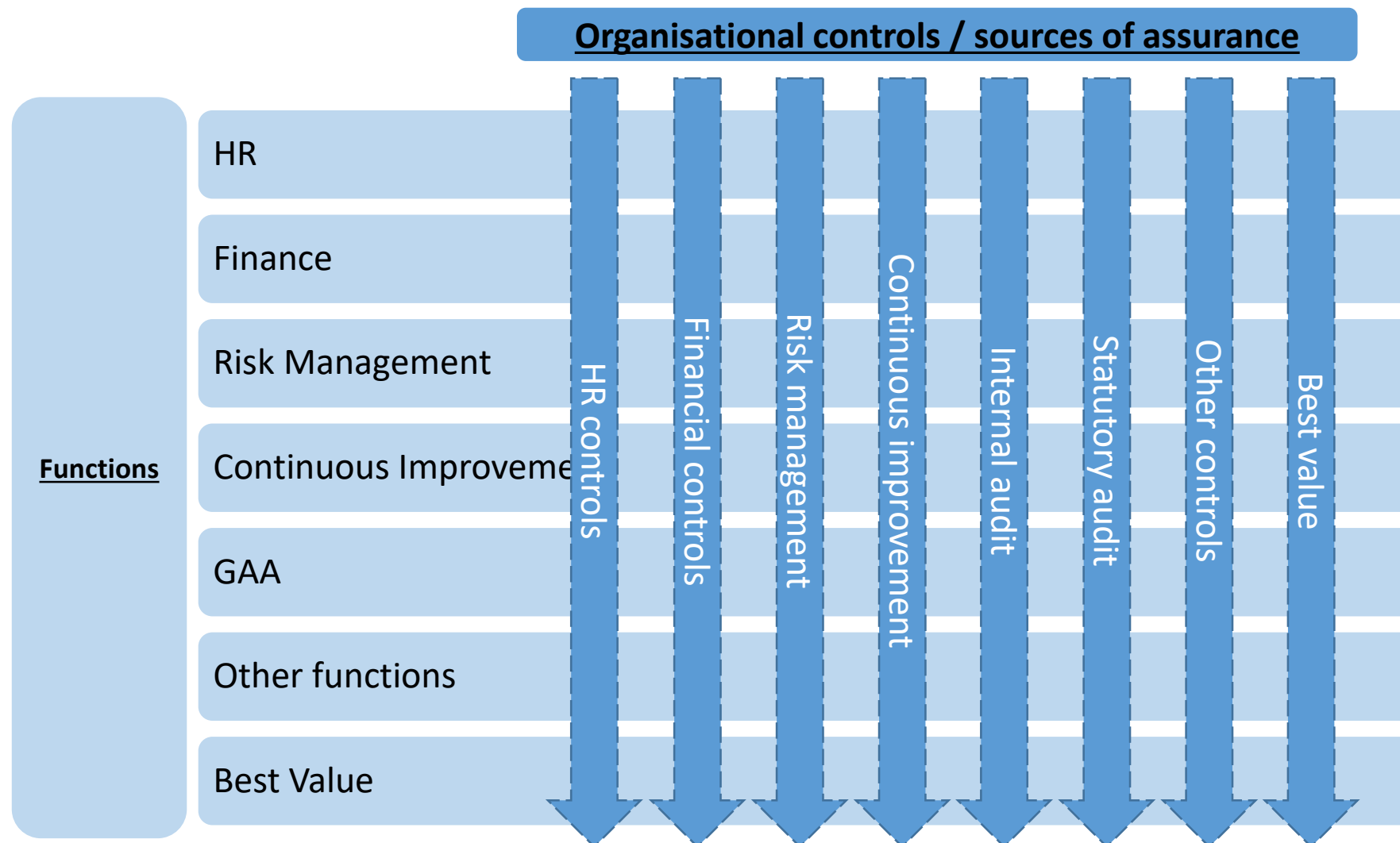
- “Audit Scotland said there had been a **“multitude of failings”** in the delivery of two new ferries... MSPs heard evidence on the issue at Scottish Parliament’s Public Audit Committee.”
- “**Deputy First Minister expected to face criticism** over the handling of awarding the lifeline ferry contracts.”⁵

Role of BV function

- **Engagement with the force**
 - **Scrutiny programme** – to carry out a programme of thematic reviews scrutinising the force’s Best Value arrangements. Thematic reviews to be performed on a self-assessment basis, facilitated by the BV function.
 - **Upskilling** – critical for developing a sustainable Best Value capability; enabling the force to achieve Best Value through induction, targeted training / workshops, regular comms, and sharing of case studies and best practice. Instil a culture change to make Best Value duties and considerations more prominent across the force.
- **Force Executive buy-in essential** – top-down approach is essential to achieve accountability. ACCs and Directors to be designated as ‘BVROs’ (‘Best Value Responsible Officers’) as part of the scrutiny programme.
- **Liaison with external scrutiny** – to engage with BV scrutiny bodies (e.g. Audit Scotland, HMICS, SPA) and support the force response to scrutiny challenges and related reporting. (Police Scotland Governance, Audit and Assurance (GAA) team will continue to coordinate the management of recommendations).

Role of BV function (contd.)

- **Mutual assurance** – in the same way that, for instance, the Finance function is subject to HR controls, and the HR function is subject to financial controls, the Best Value function will also become part of this mutual assurance model.



Collaboration with other Police Scotland functions

The achievement and demonstration of Best Value is supported across a number of Police Scotland portfolio areas :

- **Governance, Audit and Assurance (GAA)**

The Audit and Assurance business area provides a range of functions to review and assess continuous improvement. Eg GAA use Self-Evaluation to proactively promote improved performance and contribute to sustainable and continuous improvement. They are developing a programme of Self-Evaluation, to support HMICS inspections, as part of pre-scrutiny and assurance activities.

A Self-Evaluation has been completed for both SWFP and CAM and a Divisional Self-Evaluation is planned as part of Quarter Four Assurance activity. Thereafter, Audit and Assurance plan to mature the Self-Evaluation process within PS to ensure it is embedded beyond scrutiny activities and utilise the Self-Evaluation information across the Divisions and Business Areas.

Audit and Assurance will work collaboratively to ensure Self-Evaluation complements the work of the Best Value function.

- **Strategy & Analysis**

Strategy and Analysis are engaged and include Best Value considerations in strategic plans: we will work together to ensure a joined-up approach delivers optimal outcomes for Police Scotland. A further pilot approach is being considered with Strategy, Insight and Engagement to continue to build our approach for the service.

- **Other**

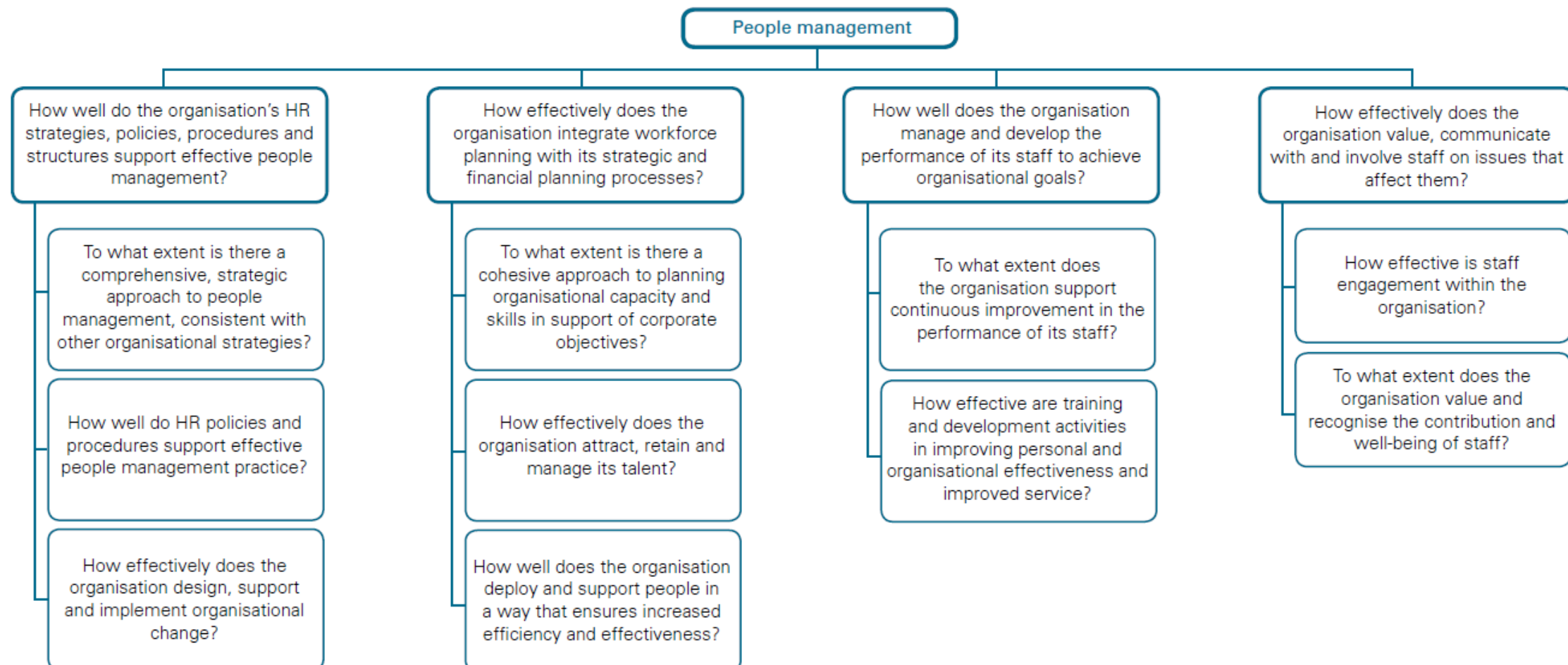
Colleagues in a range of other teams, including **Analysis & Performance** and **Continuous Improvement** have been kept apprised of Best Value developments. We will continue to work together to identify opportunities to collaborate and to reinforce our respective agendas.

BV function – service delivery

- **Thematic toolkits**

- Scrutiny programme to be performed through use of tailored thematic toolkits. To be completed on a self-assessment basis, ownership sits with the relevant BVROs.
- BV function quality assures the process of completing the toolkits, and manages the end-to-end delivery of the scrutiny programme. BVROs are responsible for taking ownership of (and completing) the individual toolkits.
- Scrutiny may be tailored as necessary and not restricted to the toolkits.

Best Value toolkit (example) – People management



BV function – service delivery (contd.)

Best Value toolkit: assessment matrix (example) – People management

	Basic practice	Better practice	Advanced practice
1. How well do the organisation's HR strategies, policies, procedures and structures support effective people management?			
1.1 To what extent is there a comprehensive, strategic approach to people management, consistent with other organisational strategies?	<p>Ownership of people management is shared across the leaders of the organisation.</p> <p>There is a clear strategic document which sets out the organisation's approach to people management, which supports the delivery of the organisation's priorities, goals and plans.</p> <p>The people management strategy is regularly updated and approved by Council/Board.</p> <p>Consistent people management practice is promoted, supported and monitored at all levels of the organisation.</p> <p>All managers and staff know what is expected of them in respect of the organisation's values and people management practices.</p> <p>Competencies in people management are built into individual, team and organisational performance assessment.</p>	<p>The organisation systematically uses people management measures to review its overall effectiveness and priorities.</p> <p>The organisation develops joint priorities and investment plans with partners to improve people management practices.</p> <p>The organisation assesses the impact of its people management practices against appropriate external standards.</p>	<p>The organisation assesses the direct impact of its people management practices on behaviours and service quality and makes changes as required.</p> <p>The organisation can clearly articulate what kind of organisation it wants to be and in particular what it offers respective and existing employees (ie it has an established 'employer brand' to which its people management practice is central).</p> <p>Council/Board members contribute actively to the setting and promotion of people management standards within the public sector.</p> <p>The organisation acts as a local leader in people management practice beyond the public sector.</p>

BV function – service delivery (contd.)

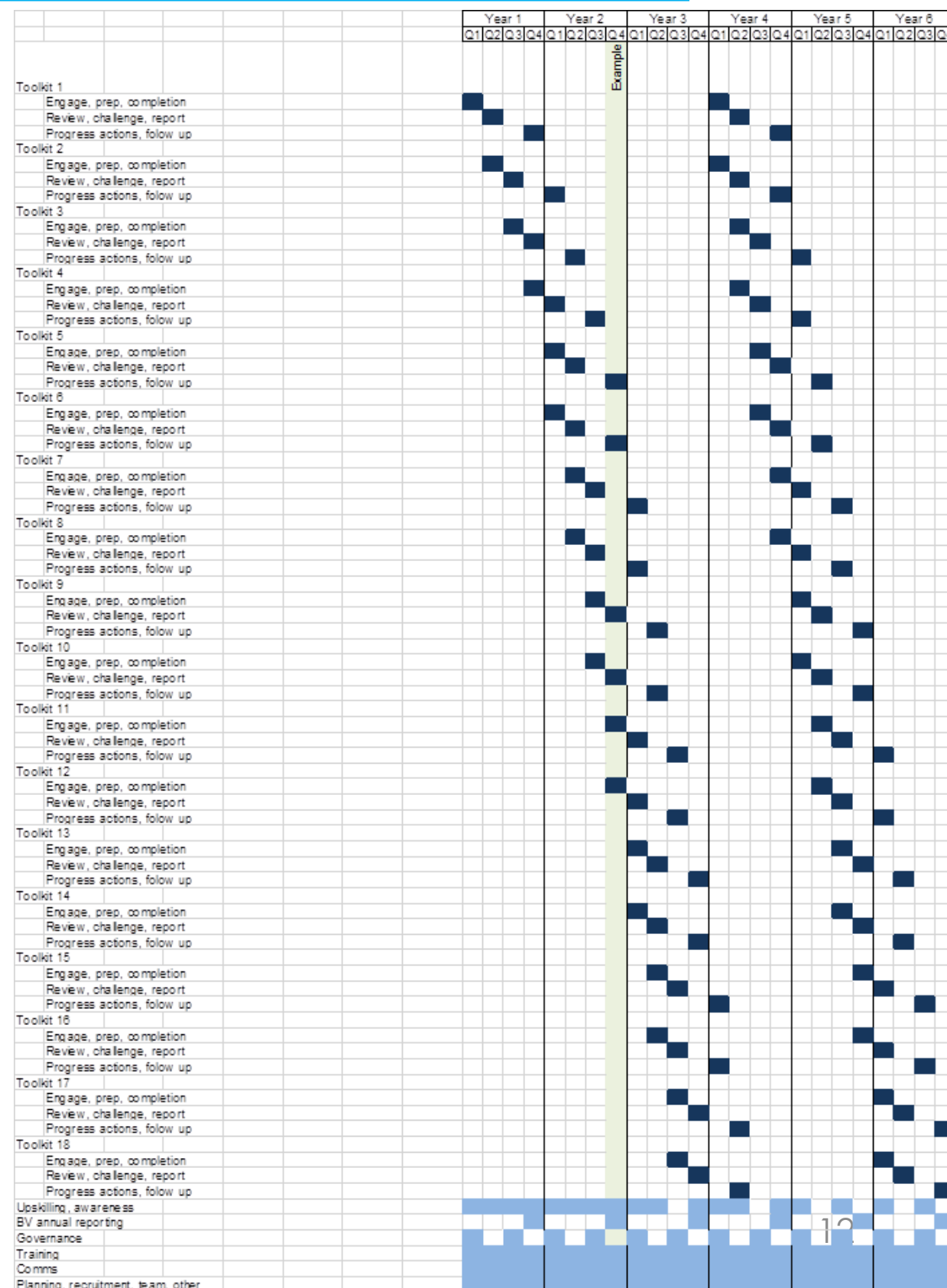
- **Tactical plan** – below is an indicative walkthrough of the key milestones in order for the force to complete each thematic toolkit:

ID	Name	Duration	Notes	202X						
				Month 1	M2	M3	M4	M5	M6	M7
	A range of preceding tasks / clarification / governance Pilot									
1	Engage with business owner / BVRO (ACC / Director)	1 week								
2	Prepare toolkit and covering note	1.5 week								
3	send to Business owner / BVRO	1 day	milestone							
4	Follow up to assess progress	1 day								
5	Engage on specifics / support	8 weeks								
6	Develop business response and evidence	10 weeks								
7	Follow up to assess progress	1 day								
8	Remind business owner of deadline	1 day								
9	Final reminder	1 day								
10	Submit completed toolkit and evidence	1 day	milestone							
11	Undertake review of responses and evaluate evidence	6 weeks								
12	Summarise response to CFPB / DCO / SLB	2 weeks								
13	Where necessary, discuss / challenge	6 weeks								
14	Develop draft report and recommendations	4 weeks								
15	Provide draft report to BVRO and request responses	1 day								
16	BVRO to provide responses	2 weeks								
17	Present final report to SLB	1 day	milestone							
18	Progress actions	n/a								
19	Schedule follow up discussion to assure actions	n/a								
20	Schedule 2nd cycle review	n/a								

BV function – service delivery (contd.)

- **Work programme** – this is an indicative overview of the BV function’s work programme covering a 6-year period. This reflects the cyclical nature of the scrutiny programme through use of thematic toolkits, as well as other workstreams including:
 - **Force engagement / upskilling (critical for sustainability that everyone understand their responsibilities)**
 - Annual reporting
 - Governance management
 - Internal function management

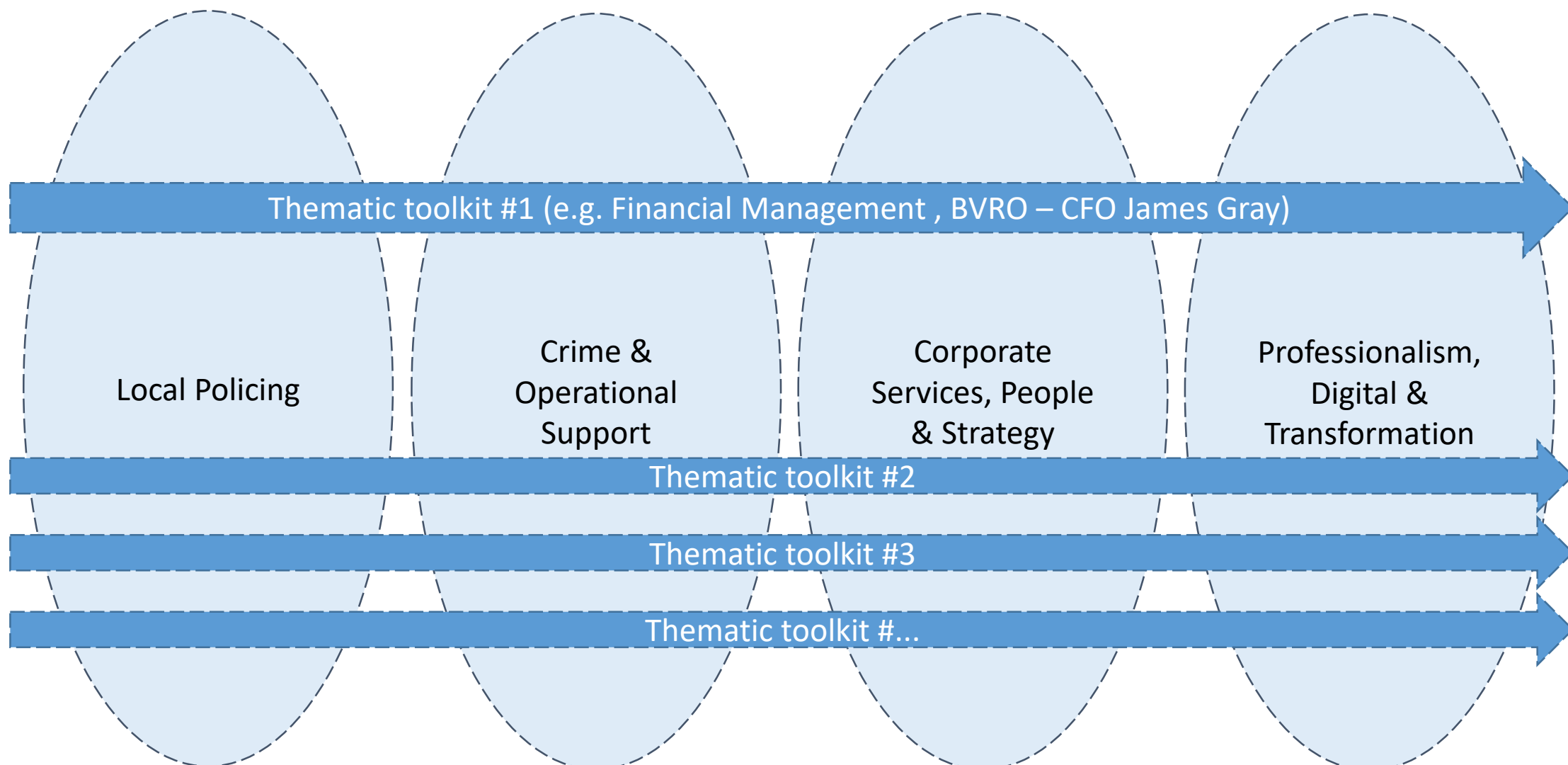
<u>Thematic work programme (indicative)</u>	
<u>Toolkits</u>	
1. Asset Management	10. Partnership Working
2. Challenge Improvement	11. People Management
3. Community Engagement	12. Performance Management
4. Customer Focus	13. Planning Resource Alignment
5. Efficiency	14. Procurement
6. Equalities	15. Public Performance Reporting
7. Financial Management	16. Risk Management
8. Governance & Accountability	17. Strategic Direction
9. Information Management	18. Sustainability



BV function – service delivery (contd.)

- **Thematic vs functional**

- Toolkits are tailored on a thematic basis covering the whole Force, rather than on a function-by-function basis. All functions should therefore be captured as part of each thematic review.
- e.g. the Financial Management toolkit will consider financial management across the entire Force including each function, rather than being a specific functional review of the Finance department.



BV function – service delivery (contd.)

Governance arrangements

- The BV function will report in to the **DCO** to assure independence and objectivity.
- The work will be managed through the Police Scotland **Corporate Management & People Board (CMPB)**
- The BV function will formally report to Police Scotland Audit & Risk Board (ARB) and ultimately to the **Senior Leadership Board (SLB), chaired by the Chief Constable to support him in discharging his statutory duty in respect of Best Value.**

Audit, Risk & Assurance Committee (ARAC) It is proposed that updates will be provided to ARAC twice per annum for information; to update on progress and to inform content for the Governance Statement in the Annual Report and Accounts.

Next steps – pilot

- **A pilot thematic review** using the **Procurement** toolkit has commenced. This will essentially form a **proof of concept** for the BV function's scrutiny programme and provide insights into timings, communication and resource requirements.
- Key aims of the pilot are as follows:
 - **Force engagement and upskilling** – this is an essential component - the pilot will be basis for generating increased awareness in wider force, inclusion of relevant material in induction training etc
 - **Generate awareness and buy-in from the Force Executive** – vital for clarity of accountabilities.
 - **Appraise thematic approach** – review success and the practical challenges of implementing a cross-cutting thematic approach to scrutiny.
 - **End-to-end trial** – flush out any challenges and key learnings in relation to planning, stakeholder engagement, and the governance process.
 - **Review resource requirement** – use this to inform the final work programme and team structure.
- The Procurement toolkit pilot is on schedule to be completed before the end of 2022/23 financial year.