

## audit 2001/2002

### Best Value Audit Report – BVPP 2002/2003

## Metropolitan Police Authority

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## KEY MESSAGES

### Purpose of report

This is the report that the auditor is required to provide on the Best Value Performance Plan (BVPP) under Section 7 of the Local Government Act 1999.

Our statutory audit certificate and opinion are attached at Appendix 1.

The purpose of the report is to inform senior staff of the key issues arising from the audit of your BVPP and any actions which are now required.

This year's audit of the BVPP has, in line with the requirements of the Code of Audit Practice, been integrated with the rest of the audit.

Our work included a detailed follow-up of progress against recommendations made during last year's audit and an assessment of your overall progress in relation to Best Value across the Metropolitan Police Authority (MPA) and the Metropolitan Police Service (MPS).

### Overall conclusions

The BVPP is a well presented and useful document. The Authority's Best Value agenda now needs to be fully integrated across the whole organisation and moved forward with vigour, to ensure that tangible service improvements are secured.

This statutory audit report which was issued on December 2002:

- includes an opinion which was not qualified;
- does not contain recommendations which require a formal Authority response and
- does not recommend that the Audit Commission should carry out a Best Value inspection or that the Secretary of State give a direction.

### Main findings

The BVPP meets the statutory requirements. It should provide users with a useful perspective on the Authority's performance.

The Authority's best value arrangements, and the wider frameworks that underpin them, continue to develop, and progress has been made in many ways over the last year. However, the continuous improvement agenda introduced by best value is still some way from being fully integrated into management arrangements across the whole organisation. While the introduction of the necessary improvements continues to be viewed as requiring longer-term work, the organisation will not derive real benefits from the significant investment it makes in their development, and will not harness the enthusiasm and commitment needed from all parts of the organisation.

During the course of our work, a re-organisation of the MPS was announced, the second in two years. The impact of such frequent re-organisation is significant, and has implications not only for morale, but for continuity and progress. Internal re-organisation is frequently cited to us a cause of slow of progress or an obstacle to change.

Arrangements for producing BVPIs have improved this year. There is no room for complacency though as there were still some problems at audit.

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## Respective responsibilities

Under the Local Government Act 1999, specified local government bodies are required to comply with the general duty of Best Value, which is defined as making arrangements to secure continuous improvement in the way in which their functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The audited body is required to publish annually a BVPP, which summarises the body's assessments of its performance and position in relation to Best Value. The audited body is responsible for preparing the BVPP and for the information and assessments that are set out within it and the assumptions and estimates on which they are based. It is also responsible for putting in place appropriate performance management and internal control systems, from which the information and assessments in the BVPP are derived.

Auditors should consider and report on whether the audited body has complied with statutory requirements in respect of the preparation and publication of its BVPP.

Auditors are not required to form a view on the completeness or accuracy of the information included, or the realism and achievability of the assessments published by the audited body in its BVPP.

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## The Best Value Performance Plan 2002/2003

*The BVPP meets the statutory requirements. It should provide users with a useful perspective on the Authority's performance.*

### Compliance

The BVPP was generally compliant with the legislation and good practice guidance.

### Impact

The Plan is well designed, readable and communicates the main messages simply and with clarity.

### Value

The Plan should be valuable to stakeholders in enabling a wider understanding of the Authority's business, business plans and the issues facing it.

### Areas for improvement

The inclusion of summary reports on all reviews completed and any pending reviews, together with an overall commentary which puts the general performance into perspective, would be useful to the users of the plan.

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## Integrating Best Value into the Authority's business

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*organisation is significant, and has implications not only for morale, but for continuity and progress. Internal re-organisation is frequently cited to us a cause of slow of progress or an obstacle to change.*

### Performance management framework

Our work this year has found that the Authority has responded to all the recommendations of our last Best Value audit report. However, some of these actions are not expected to be completed before April 2003, or beyond.

The MPA and MPS have been working co-operatively over the last two years to develop a corporate strategy, due to be published in April 2003, and the planning framework which will support it. In the interim, 'Towards the Safest City' was published in September 2002, to set out the strategic direction for the MPS. These developments will be crucial in driving real performance improvements, by providing a mechanism to ensure that objectives are consistent across the organisation, and that resources are directed to these priorities.

A considerable amount of other work is in hand. A corporate governance framework is being developed, led by a strategic committee, to co-ordinate work on a wide programme of work, including the implementation of continuous improvement and performance management arrangements. Progress has been made in the development of corporate standards and guidance to support the introduction and development of the performance management framework across all business groups. An appraisal system has been implemented, although our work suggests there may be some difficulty in reflecting corporate and service objectives in individual targets. Performance reporting is improving, although this is still considered to be an area of difficulty, with issues relating to resourcing and the appropriateness of existing management information systems.

Against this background of considerable internal activity, the performance of the MPS did not meet expectations against some of the key

targets for 2001/02. This was clearly a very difficult year operationally, with significant pressures arising from the demands created by the 11 September attacks, and increases in some types of crime, for example street and gun crime. The challenge now for the Authority and the Service is to ensure that the frameworks and processes implemented to support continuous improvement actually achieve demonstrable performance gains.

### Recommendations

*Integrate Best Value principles into day to day processes to ensure that a consistent and effective approach to continuous improvement is achieved.*

*Ensure that mechanisms are in place to allocate resources to objectives, linking priorities with action plans and targets.*

*Ensure that the implementation of the staff appraisal process consistently supports performance management arrangements, including assurance of compliance with corporate objectives and requirements.*

*Continue to refine performance review arrangements, to ensure that appropriate performance measures and management information systems are in place to support performance scrutiny and the achievement of objectives.*

### Best value reviews

The Authority has introduced significant changes during the year in the way Best Value is managed and delivered. The Planning, Performance and Review committee has now assumed the responsibility for Best Value, and the role of MPA officers enhanced. Staffing and support arrangements for Best Value reviews within the MPS have been streamlined.

In making these changes, the Authority has recognised the slow progress of the early reviews, and now envisages a greater focus on project and programme management. A process for developing and monitoring improvement plans for Best Value reviews has been developed, and it is to be hoped that this will ensure a more accelerated implementation

planning and delivery timescale than has been achieved so far. While most reviews in the programme are complex, progress in completing reviews and implementation of plans has nevertheless been relatively slow. The focus now must be on delivering reviews within acceptable timescales and securing tangible performance improvements and outcomes.

Following changes to the national framework for best value, the Authority has revised its plans for the programme of best value reviews, and will now undertake only two Best Value reviews each year. This should reduce the risk of project slippage. Topics will be selected following a process of nomination by the chairs of strategic committees. The Authority will need to ensure that this process is transparent, and results in the selection of significant aspects of corporate activity, with clear potential for cost and performance improvement.

Early results from HMIC inspections of Best Value reviews are promising, with indications that reviews are providing a firm basis for improvement. One of the key outputs of a Best Value review must be the development of performance indicators and targets to measure improvement. While some services subject to early review are demonstrating performance improvement in internal monitoring, the performance gains have not yet been evident in the Policing and Performance Plan.

## Recommendations

*Define accountabilities for the completion of Best Value reviews to timescale budget and quality, for example as part of the appraisal process, and monitor performance.*

*Ensure that a robust mechanism for selecting Best Value review topics is used, enabling the Authority to demonstrate the relevance and comprehensiveness of its review programme.*

*Ensure that performance improvements arising from Best Value reviews are incorporated into the performance management framework, and captured in the annual Policing and Performance Plan.*

## Managing review activity

To respond to the need for active management of the large number of internal and external projects undertaken, the Inspection and Analysis Unit (ILAU) now has the responsibility to collect, record and disseminate information about all inspection, audit and review activity affecting the MPS. It currently tracks the recommendations of HMIC reports, and in the longer term is expected to extend this work to cover all review activity.

## Recommendation

*Rigorous prioritisation and monitoring of the implementation of action plans developed by internal and external agencies is required to ensure that improvement opportunities are realised and that the cost and effort invested in review activity is not wasted.*

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## Performance indicators

*Arrangements for producing PIs have improved this year. There is no room for complacency though as there were still some problems at audit.*

While there is still an issue about the omission of some of the required indicators from the BVPP, data collection and verification arrangements for performance information have improved since our audit work last year. The legislation and guidance required the inclusion in the BVPP of 31 BVPIs on 2001/02 performance. Two of these were not included and two further BVPIs were found to have problems. We are aware that the arrangements in this area are being strengthened.

We have reported separately and in more detail on the main findings from our BVPIs audit.

## Recommendations

*Continue to improve BVPI reporting and efforts to strengthen the procedures and practices of the BVPI system.*