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| **The Police and Crime Commissioner for Cleveland and the Chief Constable Cleveland Police** |
| **Appraisal Review of Estates Management - Strategy** |
| **2017/18** |

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| **Executive Summary** |

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| **OVERALL ASSURANCE ASSESSMENT** | **OVERALL CONCLUSION** |
|  | |  |  | | --- | --- | |  | **The Estates Management Strategy is a forwarding looking document that provides both vision and current Estate needs.** | |  | **Although the Strategic Estates and Facilities Manager understands risks this is not reflected in the Corporate Risk Register for Estates.** | |  | **Although the Estates area have very few policies and procedures they do interact with many throughout the Force. These policies/procedures require updating.** | |  | **From the documentation reviewed and interviewing the Strategic Estates and Facilities Manager the Estate programme is well managed.** | |
| **RATIONALE AND SCOPE** | **ACTION POINTS** |
| Rationale  Estates are an important part of the Police infrastructure and as such represent a high cost to the Force. A periodic audit will be undertaken to confirm value for money is being obtained with the use and management of the Estate  Scope  The review considered the arrangements for the management and utilisation of the Estate belonging to and used by Cleveland Police to ensure value for money is being achieved. The scope of the review did not include consideration of the adequacy of any property condition surveys carried out or the appropriateness of any works carried out. | |  |  |  |  | | --- | --- | --- | --- | | **Urgent** | **Important** | **Routine** | **Operational** | | **0** | **0** | **2** | **1** | |

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| **Management Action Plan - Priority 1, 2 and 3 Recommendations** |

| **Rec.** | **Risk Area** | **Finding** | **Recommendation** | **Priority** | **Management**  **Comments** | **Implementation**  **Timetable**  **(dd/mm/yy)** | **Responsible**  **Officer**  **(Job Title)** |
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| 1 | Directed | The following Policies and procedures should be brought up to date and each document to have version control:  a) Standard Operating Procedures - This is a Steria document and by using flowcharts describes the various procedures for maintaining the estate. This was last updated in December 2011 and as such requires an update and refresh.  b) Near Miss Procedure - A procedure for dealing with incidents and/or a dangerous occurrence. This was last updated/reviewed in March 2014 and may require a refresh. | The following procedures be updated:  a) Standard Operating procedure and b) Near Miss Procedure and to have version control. | 3 | 1. *Standard Operating Procedure (SOP) document is to undergo a full review following changes to both the service delivered and contract with Cleveland Police, implemented over the past 12 months. This will include a version control heading* 2. *Near miss procedure. SopraSteria have updated this document including version control* | 1. *31st December 2017* 2. *Completed 6th October 2017* | *Richard Marron* |
| 2 | Directed | A review of procedures that the Estates team refer to but are under the management of other teams within the Force noted that there were 10 which were either overdue a review or had not been subject to a review. | All policies and procedures that are not under the control of the Strategic Estates and Facilities Manager, (as in Paragraph 11.8) but are out of date, be reviewed and updated with version control at the earliest opportunity**.** | 3 | *This work is already underway with all policies and procedures that require a review being completed by November 2017 and May 2018 check TH).* | 1. *Policies: - 30th November 2017* 2. *Records Management Plan and Management Retention Schedule:*   *31st May 2018.* | 1. *Gill Currie*   *b) Maria Hopper* |

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| **Operational Effectiveness Matters** |

| **Ref** | **Risk Area** | **Item** | **Management**  **Comments** |
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| 1 | Operational | To assist the Force in the development of its risk management arrangements a risk management audit be undertaken sometime during 2018/19. | *This will occur in Q1 of 2018/19.* |

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| **Detailed Findings** |

**INTRODUCTION**

1. This review was carried out in September 2017 as part of the planned internal audit work for 2017/18. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

**BACKGROUND**

1. The current Police headquarters at Ladgate Lane is being sold and a new Force headquarters built which will be significantly smaller in size but fit for purpose to meet the needs of an agile Police Force. As part of the Estates transformation all buildings are being reviewed and either sold, made fit, redeveloped or new sites obtained to meet the changing operational role of the Force.

**MATERIALITY**

1. The Estates budget is circa £4 million.

**KEY FINDINGS & ACTION POINTS**

1. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

**SCOPE AND LIMITATIONS OF THE REVIEW**

1. The review considered the arrangements for the management and utilisation of the Estate belonging to and used by Cleveland Police to ensure value for money is being achieved. The scope of the review did not include consideration of the adequacy of any property condition surveys carried out or the appropriateness of any works carried out.
2. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.

**DISCLAIMER**

1. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

**RISK AREA ASSURANCE ASSESSMENTS**

1. The definitions of the assurance assessments are:

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| **Substantial Assurance** | From a review which did not consider the internal control arrangements the expected practices and processes are in place. |
| **Reasonable Assurance** | From a review which did not consider the internal control arrangements some of the expected practices and processes are in place, although improvements could be made to the arrangements. |
| **Limited Assurance** | From a review which did not consider the internal control arrangements a small number of the expected practices and processes are in place. Significant improvements to the arrangements are required. |
| **No Assurance** | From a review which did not consider the internal control arrangements there is a fundamental absence of the expected practices and processes are in place. Immediate action is required to improve the arrangements. |

**ACKNOWLEDGEMENT**

1. We would like to thank staff for their co-operation and assistance during the course of our work.

**RELEASE OF REPORT**

1. The table below sets out the history of this report.

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| **Date draft report issued:** | 13th September 2017 |  |
| **Date revised draft report issued:** | 2nd October 2017 |  |
| **Date management responses received:** | 9th October 2017 |  |
| **Date final report issued:** | 11th October 2017 |  |

1. The following matters were identified in reviewing the Key Risk Control Objective:

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| **Operational Risk: Failure to identify opportunities to operate more efficiently or to be prepared for forthcoming changes** |

* 1. A 25 Year Estates Strategy was produced in October 2015. This was subsequently reviewed in October 2016 and is scheduled for a further annual review in October 2017. The current Estate consists of 14 Freehold properties; 21 leased properties; 5 PFI buildings; three radio masts licences and 39 neighbourhood policing drop in centres. Freehold buildings were valued in 2009 at £44.3m.
  2. The Estates Service (which consists of the day to day management of the Estate and the development/refurbishment of Estates works up to around £1m) is outsourced to SopraSteria under a ten year contract, covering the period 2010 to 2020. SopraSteria operate this contract as part of their Steria Police Shared Business Services team.
  3. The 25 year Estates Strategy includes the following Objective headings:
     + 1) Rationalisation;
     + 2) Modernisation;
     + 3) Leadership;
     + 4) Estates Utilisation;
     + 5) Acquisition and Disposal; and
     + 6) Sustainability.
  4. In addition to the 25 year Estates Strategy there is also an Estates Energy Strategy, which was last updated October 2016 and is reviewed annually.
  5. Supporting the 25 year Estates Strategy and Estates Energy Strategy are a number of more detailed Estates documents:
     + Estates Blueprint Vision - this document, which was reviewed in March 2017, sets out a plan to accelerate savings and to drive better performance from the Estate and makes proposals for better co-ordination across the whole of the public sector estate.
     + The Learning Development Centre (Grangetown) - Business Case.
     + Cleveland Community Safety Hub. All new developments are supported by the PCC and this is in accord with the Police and Crime Plan.
  6. The Estates Strategy and supporting documents identify a clear forward direction/vision for Estates within Cleveland Police, which is in accord with the PCC's Police and Crime Plan and supports the delivery of an agile police force.
  7. The Estates team have five policies and procedures for managing the estate:

1. Standard Operating Procedures - This is a Steria document and by using flowcharts describes the various procedures for maintaining the estate. This was last updated in December 2011 and as such requires an update and refresh.
2. Near Miss Procedure - A procedure for dealing with incidents and/or a dangerous occurrence. This was last updated/reviewed in March 2014 and may require a refresh.
3. Neighbourhood Policing Accommodation Guide - A document that explains how Neighbourhood Policing Base (drop in centre) can be used. This was last reviewed in March 2017.
4. Reporting Injury's on Duty - A flowchart identifying how to report injuries occurring while on duty. This was last updated in January 2014 and may require a review.
5. Fire Alarms and Evacuation Procedure (Police HQ) - Annual review required last reviewed March 2015 but awaiting completion of the new HQ building.

The following Policies and procedures should be brought up to date and each document to have version control:

1. Standard Operating Procedure
2. Near Miss Procedure

It is accepted that Ladgate Lane site is to be vacated early next year and a new Fire Alarms and Evacuation Procedure developed for the new Head Quarters. In discussions with the Strategic Estates and Facilities Manager an adequate procedure currently exists for Ladgate Lane.

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| **Recommendation: 1** | **Priority: 3** |
| **The following procedures be updated: a) Standard Operating procedure and b) Near Miss Procedure and to have version control.** | |

11.8 In addition, there are a further eleven policies and procedures which the Estates team refer to but are under the management of other teams within the Force.

* + - Use of Electrical Equipment Policy - Introduced April 2013 with an annual review. There is no evidence to support that it has been subject to review, although the policy states the next review will be 1 April 2016.
    - Personal Emergency Evacuation Plan - Prepared in February 2009 and could probably do with a refresh.
    - Community Impact Assessments - This was last reviewed January 2011, although it is recorded as due for review due every two years.
    - Service Continuity Guidance - next review June 2018.
    - Records Management Plan 2015/16 – There is no version control for this document and therefore no review cycle.
    - Records Management Retention - Schedule August 2014 -Requires an update.
    - Information Security Policy - Last reviewed September 2012 with the next review recorded as due September 2014. This requires a review and update.
    - Risk Management Guidance - Next review June 2018.
    - Health and Safety policy - Next review August 2018.
    - Control of Contagious Diseases - Review due March 2017, now overdue.
    - Ladgate Lane Business Continuity - site being sold early 2018.

Clearly many of these Policies and Procedures have not been reviewed or updated for some time and it is important to maintain these as current documents.

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| **Recommendation: 2** | **Priority: 3** |
| **All policies and procedures that are not under the control of the Strategic Estates and Facilities Manager, (as in Paragraph 11.8) but are out of date, be reviewed and updated with version control at the earliest opportunity.** | |

11.9 A scheme of delegation exists which provides the Strategic Estates and Facilities Manager and SopraSteria with financial limits up to which they can commit without further authority.

* 1. The budget for Estates during 2016/17 was set at £4,848,392 and at the end of the year was £43,068 underspent. The budget for 2017/18 has been reduced to £3,959,714 and at month five actual spend was under budget.
  2. The Estates Blueprint Vision identifies the future use of the Estate and how this is changing to meet the agile working of the Force. The Estates Blueprint is revised as changes to the Estate are made to reflect current known events which support the forward direction of the policing service.
  3. The Estate Risk Register is a part of the corporate risk register and currently has two open risks recorded:
     + Structural failure of building or mast structure; and
     + Non-compliance with Estates legislation or insurance requirements.

In reality these are probably a "cause" rather than the risk. To be a risk it must be capable of being managed and must have a time line, i.e. a point in the future when the risk may occur.

* 1. For these risks, the risk is likely to be around failure of the Buildings/Mast to support the delivery of the Police and Crime Plan or the operational services of the Police. For instance, legionella is a cause that if discovered (or there is an indication of) will most likely lead to the closure of a Police Building. If you know legionella is the cause you can look at preventative controls that will reduce the likelihood of infection, such as regular testing, changing the temperature of the water and flushing the system through from time to time. You can also look at the recovery controls in the event that a legionella outbreak might be suspected and do things to minimise disruption and contamination and also to cut off adverse publicity.
  2. At the moment the physical risk register could be misleading and as such a risk management audit should be undertaken sometime during 2018/19

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| **Operational Effectiveness Matter: 1** |
| **To assist the Force in the development of its risk management arrangements a risk management audit be undertaken sometime during 2018/19.** |

* 1. The Estate team are in collaboration with the Fire Brigade as part of an agreement to work smarter and deliver on-going efficiencies. In addition, they have formed an alliance with a public sector partner to provide a new police training school at Grangetown and an integrated neighbourhood police office within the under construction Thornaby Fire Station.
  2. The Estates team, via the Blueprint delivery programme, have established a number of service level agreements which cover areas where both organisations continue to support each other across a range of functions and services both operational and ‘back office’.

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