



THE POLICE, FIRE AND CRIME COMMISSIONER OF STAFFORDSHIRE, CHIEF CONSTABLE OF STAFFORDSHIRE, AND STAFFORDSHIRE FIRE & RESCUE SERVICE

Estates – Post Benefit Realisation

Internal audit report 8.21/22

Final

17 March 2022

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1. EXECUTIVE SUMMARY

Background

A review of Estates – Post Benefit Realisation was undertaken at Staffordshire Police, Fire & Crime Commissioner and Chief Constable of Staffordshire (the Force) as part of the approved internal audit periodic plan for 2021/22. The focus of the audit was to review the benefit realisation from the PFI facilitated co-location projects at the Tamworth and Hanley sites, as well as how these Projects have helped shape the current Estates Strategy.

There had been a pressing need, for some time, for Staffordshire Police to identify a suitable Estate provision for their Northern Response Hub, having been given notice by the Staffordshire Commissioner that the existing Force Response Hub building should be vacated. Their existing facility was in a poor state of repair and considered unfit for purpose. Hanley Community Fire Station was identified in 2019 as the preferred option for the new location. The business case to support the Hanley project was approved on 13 August 2019 by the Strategic Governance Board (SGB). The approved budget for the project was £1,353,240. The Force moved into Hanley Response Hub on 15 January 2021 as per the approved SGB programme.

Additionally, prior to the Hanley Project, it was identified for the Force to find a suitable estate provision for their Neighbourhood Policing Team who were based within Tamworth Police Station, which would subsequently allow for the sale of the Police Station. Tamworth Belgrave Community Fire Station had been identified as the preferred option for the new location and approval was given by the SGB Collaboration on 1 August 2019, to progress to the implementation stage. The project involved utilising existing office space and locker facilities to accommodate the Neighbourhood Policing team.

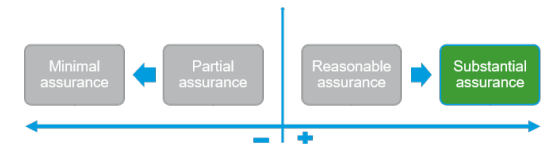
There were no relocation requirements for existing staff and no structural alterations required. The Tamworth Project was planned to be fully operational by October 2019. The move date was pushed back to December 2019 due to a new broadband line installation to accommodate the Force network.

The success of both the Hanley and Tamworth Projects have helped shape and pave the way for an organic collaborative model between the Force and Fire and Rescue Service. Benefits of the Projects have included fostering collaborative working between the two organisations, as well as creating capital gains from selling existing real-estate which is no longer fit for purpose. These principles are now being incorporated into the organisations' Estate Strategy to further leverage improvements based on a collaborative estates model.

Conclusion

Internal audit opinion:

Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.



Key findings

We identified the following findings:

The Staffordshire Commissioner, Fire and Rescue Service and Police have a joint Estates Strategy in place. The Strategy sets out the vision for the Police and Fire Service estate for the 2020 to 2025 period. The purpose of the Strategy is to deliver an effective and efficient estate that supports the work of both organisations in keeping the community safe. The Estates Strategy was found to have been maintained and was up to date at time of our review.

The Strategy is centred upon the following five key principles which have been linked to the Force's overall strategy and Policing Plan:

- Modern, flexible working environments that enable collaboration and creativity;
- Accessible, visible buildings with facilities for community engagement;
- Appropriate levels of security based on activity and risk;
- Supportive infrastructure for business-critical operations; and
- Buildings which are efficient, sustainable and future proof.

The Strategy also includes the following statements:

- We will share police and fire buildings wherever possible, unless there is a good reason not to;
- We will invest the proceeds of disposals where they will provide the greatest benefit;
- We will develop an investment and maintenance programme across the entire estate;
- We will apply agreed design principles for all refurbishment and new build projects;
- We will engage our people in the design and ongoing management of buildings; and
- We will ensure a robust approach to contract management.

Set deliverables and objectives have been documented for each of the above statements to highlight how they will be achieved. The Strategy is currently undergoing a review to ensure alignment to the on-going Force Operating Model changes. Although the document has been approved at Executive from both organisations, it is yet to be formally published, but it will be following the operating model update.

Co-location projects to create joint working bases, such as the Tamworth and Hanley sites, were first instructed by the Commissioner's Office and originate from the business case for a single governance and the Force led Joint Police and Fire Collaborative Estates Development Programme. Staffordshire's Police and Crime Commissioner set out in 2017 his vision for improving the way the Force and Fire Service could work better together, in a bid to ensure more of the available funding was put into frontline services. In March 2018 the Home Office approved new governance arrangements of Staffordshire's Fire and Rescue Service, realigning them to the PCC. In August 2018, new joint governance arrangements were initiated that brought Staffordshire Police and Staffordshire Fire and Rescue Service under the direction of the Staffordshire Commissioner.



A Hanley Response Hub Project – Project Manager was commissioned to oversee the Hanley Project. A Terms of Reference (ToR) was produced by the Project Manager which set out a clear scope, with an agreed process for managing requests to either widen or narrow its focus. The ToR delineated how the scope has been defined, developed, and verified. Additionally, it also incorporates necessary project criterion such as a critical success path, key milestones, risk factors and constraints.



A clear governance structure was established to oversee the Hanley Project. A Project Board was commissioned which was chaired by the Director of Response. The Project Board reported directly to the SGB. The Project Manager reported directly into the Project Board and oversaw the Project Co-ordinator and wider Project Team. Other key stakeholders involved were a Force Lead, Fire Service Lead, PFI Lead, HR Department Lead, Finance Department Lead and Legal Department Lead etc. We confirmed that regular update papers were presented to the SGB throughout the lifespan of the Project.



A Project Initiation Document (PID) for the relocation of the Hanley Police Response Hub into the Hanley Community Fire Station was created by the Project Manager and approved by the SGB Collaboration Board in October 2019. The PID was found to contain the following key information: objective, scope and deliverables, workstream, stakeholders, project controls, budget, benefits, and risk management etc.

Following completion of the Hanley Project, A Project Closure and Lessons Learned Report was produced by the Project Manager to complete a post benefit realisation analysis and to formally close the project. The report included the following key information:



- 'Recap of the main project objectives' – overall, it was concluded that the Project had met its key objectives and deliverables despite the difficulties faced of the Covid 19 pandemic. Strong working relationships between the Force, Fire Service, Works Contractor and PFI Provider resulted in timely delivery.
- 'What went well' – cultivating strong working relationships with the organisations and stakeholders involved; creating a strong collaborative working model which can be used a proven blue-print for future projects, the application of strong governance arrangements to facilitate the delivery of the project through the SGB Collaboration Board, and Project Board etc.
- 'What could have been improved' – an ambitious project timescale further exacerbated procurement and delivery issues; gathering of user requirements took longer than anticipated due to limited availability of some members of the project team; some room data sheets were not as accurate as they could have been which contributed to errors in the design documentation which had to be corrected along with missed items which had to be added during the delivery phase of the project (this was a major contributing factor to the 3.2 per cent budget overspend) etc.
- 'Budget analysis' - Variation to the original approved budget was - £43,549 (3.21 per cent) Although additional costs were incurred, additional savings of £199,004 were made as detailed on the Contractors' Change Control Log; these savings were to try and offset the additional costs which were being incurred throughout the running of the project which were due to an over ambitious original budget.



The Chief Constable at the time commissioned a Project under a PFI Contract Change Notice which entailed the Tamworth Neighbourhood Policing Team moving to Tamworth Belgrave Community Fire Station. The Project was based on a furniture and IT refurbishment plan. Approval for the works was provided by the SGB Collaboration in August 2019. As per the approved programme, the Tamworth Project was planned to be fully operational by October 2019. Final cost for the Project over three phases was £77,632. The move date had to be pushed back to December 2019 due to Boeing not being able to accommodate the installation of a new broadband line installation in time for the original planned move date.

APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*		Non Compliance with controls*		Agreed management actions		
					Low	Medium	High
Estates – Post Benefit Realisation	0	(7)	0	(7)	0	0	0
Total					0	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following area:

Objective of the area under review

This review will consider the Force's recently revised Estates Strategy. Focus will be placed upon the collaborative elements of the Strategy with the Fire Service, which has helped shape the plan following the PFI facilitated projects at the Tamworth and Hanley sites. Additionally, we will review the governance arrangements implemented by the Force to monitor and track delivery of both projects to ensure their effective and timely delivery.

When planning the audit, the following areas for consideration and limitations were agreed:

- The current Estates Strategy in place will be reviewed to ensure that the Strategy is reasonable, clearly defined objectives and deliverables have been set out, and that its delivery is achievable;
- We will ensure that the Strategy contains clearly defined assumptions and operational objectives which are linked to the Force's overall strategy and Policing Plan;
- Approval, governance arrangements, risk management processes, as well as other supporting documentation will be reviewed for both projects. We will ensure appropriate monitoring arrangements were in place which considered key aspects such as delivery timeframes, budgets etc.
- We will seek to understand how any lessons learnt from previous projects were captured, documented and incorporated into the Estates Strategy which was subsequently developed.

Limitations to the scope of the audit assignment:

- We will not confirm the deliverability of the Estates Strategy; rather, we will confirm that sufficient consideration has been to be given to planning, deliverables and monitoring, and that this has been built in the development process of the Strategy;
- Consideration will be given to a subset of key project objectives and deliverables, in particular that these were planned, monitored, and evaluated post project; we will not provide assurance that all planned deliverables and benefits have been realised. We will not substantiate the savings reported;
- The result of our work is reliant on the quality and completeness of the information provided to us; and
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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