

Meeting: Joint Audit Committee

Date: 22 September 2023

The PFCC's strategic risk register

Report by: Janet Perry, Chief Financial Officer, and Strategic Head of Performance & Resources.

Contact: As above

1. Purpose of the report

1.1. The purpose of this report is to brief the Joint Audit Committee on changes and exceptional strategic risks on the PFCC's strategic risk register and to summarise the overall strategic risk position for the PFCC.

2. Recommendations

2.1. The Joint Audit Committee should note the contents of this report, and approve, or challenge as necessary, the updated strategic risk register, attached at Appendix 1.

3. Background

3.1. The PFCC's strategic risk register has five categories which are:

- a) The Police and Crime Plan
- b) The Fire and Rescue Plan
- c) Use of resources
- d) Holding to account, and
- e) Other functions and statutory duties

3.2. There are 32 strategic risks on the PFCC's strategic risk register, which is the same number as reported to the Joint Audit Committee in June 2023.

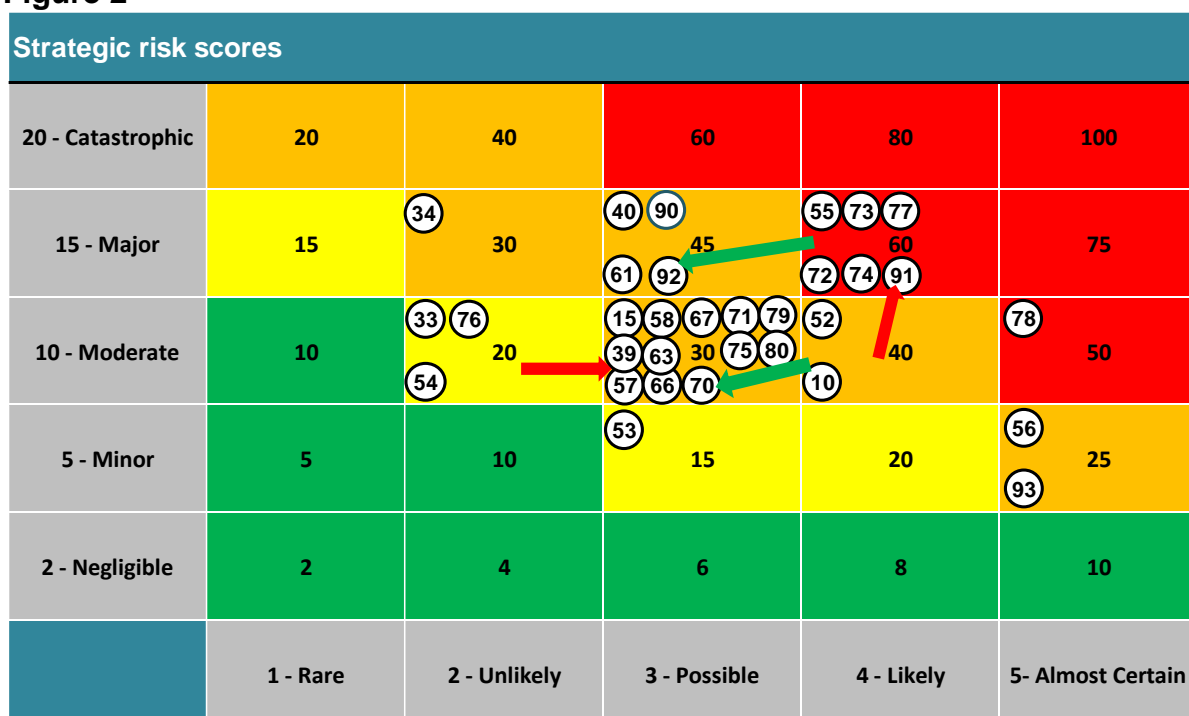
3.3. The overall RAG scores of the strategic risks are shown in figure 1 below which illustrates that, since the previous report, at a summary level, the number of red strategic risks has remained at seven and the number of amber strategic risks has remained at 25 and we continue with no green strategic risks.

Figure 1

Summary of strategic risk scores			
Scores	Strategic risks in Current Report	Strategic risks in Previous Report	Movement
Red	7	7	-
Amber	25	25	-
Green	-	-	-
Total	32	32	-

3.4. Figure 2 shows the spread of the strategic risk scores and the RAG scores of all 32 strategic risks. The red arrows show the movement of the two strategic risks with deteriorating scores and the green arrows show the movement of the two strategic risks with improving scores.

Figure 2



3.5. A review of the strategic risk register shows that, since the last report there is, one red strategic risk that was previously amber, one amber strategic risk that was previously red, one amber strategic risk with a deteriorating amber score and one amber strategic risk with an improving amber score.

4. Exception Reporting

4.1. Figure 3 below details the exceptional strategic risks.

Figure 3

Strategic risk exception reporting - 32 Strategic risks - 10 exception reports		Score			Risk Appetite
Risk No.	Risk (of not achieving)	Current	Target	Direction of Travel	
Police and Crime Plan - 12 strategic risks - 6 exception reports					
70	Further investment in crime prevention	30	15	Improving	Challenging
72	Protection of vulnerable people & reduction in cycle of domestic abuse	60	45	No Change	Cautious
73	Reduction in violence against women and girls	60	45	No Change	Cautious
74	Improvement in the support for victims of crime	60	45	No Change	Cautious
77	Prevention of business crime, fraud and cyber crime	60	30	No Change	Challenging
78	The encouragement of volunteers and community support	50	10	No Change	Challenging
Fire and Rescue Plan - 8 strategic risks - 1 exception report					
55	The broadening of roles, developing a wider range of activities	60	20	No Change	Challenging
Use of resources - 4 strategic risks - 1 exception report					
39	The setting of a balanced budget	30	15	Deteriorating	Challenging
Holding to account - 2 strategic risks - No exception reports					
Other functions and statutory duties - 6 strategic risks – 2 exception reports					
91	Devolution proposal / PFCC functions and powers	60	5	Deteriorating	Challenging
92	Appointment of local auditors from 2023/24 and beyond	45	5	Improving	Challenging

4.1.1. The table shows the **Police and Crime Plan** has 12 strategic risks, five of which are red and one of which has an improving amber score, with no other exceptions to report.

4.1.2. **The Fire and Rescue Plan** has eight strategic risks, of which one is red, with no other exceptions to report.

4.1.3. **Use of resources** has four strategic risks, of which one has a deteriorating amber score, with no other exceptions to report.

4.1.4. **Holding to account** has two strategic risks with no exceptions to report.

4.1.5. **Other functions and statutory duties** has six strategic risks, of which one has deteriorated from amber to red and one has improved from red to amber, with no other exceptions to report.

4.2. The 10 strategic risks identified for exception reporting in figure 3 are considered in further detail below.

4.3. There are seven red strategic risks, six of which were also red in the last report, these are:

4.3.1. Strategic risk 72 (Police and Crime Plan) relating to protecting vulnerable people and breaking the cycle of domestic abuse (DA). Essex experienced a 15.0% decrease (4,603 fewer) in the number of

recorded DA offences for the 12 months to July 2023 compared to the 12 months to July 2022. The Force recorded 1,703 fewer offences in the three months to July 2023 compared to the three months to July 2022 (6,018 v. 7,721). Essex Police solved 10.1% (335) fewer DA offences for the 12 months to July 2023 compared to the 12 months to July 2022. The Force also solved 223 fewer offences in the three months to July 2023 compared to the three months to July 2022 (637 v. 860). There was a 12.5% decrease (3,711 fewer) in DA offences and a 1.3% decrease (39 fewer) in the number of DA offences solved for the 12 months to July 2023 compared to the 12 months to December 2019. There were 4,505 fewer repeat victims of DA in the 12 months to July 2023 compared to the 12 months to July 2022 (21.4% less). There was also a decrease of 19.6% (4,037 fewer) compared to the 12 months to December 2019. Confidence that the policing response to protect children and vulnerable people (from the independent survey commissioned by Essex Police) is at 77.9% (results to the 12 months to June 2023). Compared to year ending June 2022, confidence has decreased by 3.8 percentage points. It is acknowledged that performance continues to show improvement, however the strategic risk remains red.

- 4.3.2.** Strategic risk 73 (Police and Crime Plan) relating to reducing Violence against Women and Girls (VAWG). Essex experienced an 11.7% decrease (4,620 fewer) in the number of Violence Against the Person (VAP) offences committed against females in the 12 months to July 2023, compared to the 12 months to July 2022. There was a 1.8% decrease (637 fewer) in the number of VAP offences committed against females in the 12 months to July 2023 compared to the 12 months to December 2019. Where gender is detailed, over half of victims of VAP offences are identified as female (55.9%). 3.3% of offences (2,143 offences) had no gender recorded. There were 3,230 fewer Stalking & Harassment crimes committed against females in the 12 months to July 2023 (13,686 crimes) compared to the 12 months to July 2022 (16,916 crimes). There was a 7.8% decrease (383 fewer) in the number of Sexual Offences committed against females in the 12 months to July 2023 compared to the 12 months to July 2022, and a 19.5% increase (742 more) compared to the 12 months to December 2019. Essex Police solved 34 more of these offences in the 12 months to July 2023 compared to the 12 months to July 2022 and solved 98 more compared to the 12 months to December 2019. From the independent survey commissioned by Essex Police and the PFCC, 43.8% of females feel safe walking alone in their area after dark for the 12 months to June 2023, compared to 76.4% of males. Improving the safety of women and girls remains a priority and the strategic risk score for this priority remains red.
- 4.3.3.** Strategic risk 74 (Police and Crime Plan) relating to improving support for victims of crime. Essex experienced a 12.3% decrease (5,850 fewer) in the number of offences with a repeat victim for the 12 months to July 2023 (41,803 offences) compared to the 12 months to July 2022 (47,653 offences) and a 2.1% decrease (901 fewer) compared to the 12 months to December 2019 (42,704 offences). Except for August 2022, the year-on-year change for repeat victimisation has decreased each month since March 2022. The number of individual repeat victims

decreased by 6.3% (1,442 fewer) for the 12 months to July 2023 (21,312 individual victims) compared to the 12 months to July 2022 (22,754 individual victims). There was an increase of five individual victims compared to the 12 months to December 2019 (21,307 individual victims). Confidence among victims (from the independent survey commissioned by Essex Police and the PFCC) is at 59.7% (results to the 12 months to June 2023). Although this is 14.8 percentage points lower than confidence of non-victims for the same period (74.5%), the gap has narrowed from 17.0 percentage points over the same period last year. However, the disparity has increased by 1.4 percentage points compared to the 12 months to December 2019 (13.4%). Compared to the year ending June 2022 confidence in the local police amongst victims is stable, in contrast to confidence amongst non-victims for whom there was a statistically significant reduction of 5.2 percentage points. The risk appetite for this strategic risk remains as cautious and continues with a red score.

- 4.3.4.** Strategic risk 77 (Police and Crime Plan) relating to the prevention of business crime, fraud, and cybercrime. Essex experienced an 8.3% increase (1,646 more) in the number of Business Crime offences and a 5.6% increase (180 more) in the number of these offences which were solved in the 12 months to July 2023 compared to the 12 months to July 2022. Shoplifting accounts for approximately 49.4% of business crime. Essex Police have been working with businesses to encourage them to record more offences. There was a 10.5% decrease (2,519 fewer) in the number of Business Crime offences and a 31.0% decrease (1,514 fewer) in the number of Business Crimes solved in the 12 months to July 2023 compared to the 12 months to December 2019. There was a 6.1% decrease in the number of fraud offences related to Business Crime in the 12 months to July 2023 compared to the 12 months to July 2022; this equates to 22 fewer offences. There was also a 30.1% decrease in the 12 months to July 2023 compared to the 12 months to December 2019; this equates to 146 fewer offences. Confidence that Essex Police are dealing with cybercrime (from the independent survey commissioned by Essex Police and the PFCC) is at 46.1% for the 12 months to June 2023. The overall national judicial outcome rate for fraud crimes is 1.96%, for the 12 months ending March 2023. Essex has a judicial outcome rate of 1.09% for the same period and is ranked number 33 out of 42 forces. This strategic risk remains as red.
- 4.3.5.** Strategic risk 78 (Police and Crime Plan) relating to the encouragement of volunteers and community support. Having reached a peak of over 519 officers in 2021, the Special Constabulary has retracted in size (289 at the end of July 2023) due to a combination of officers deciding to join the regulars and the cost-of-living pressures making volunteering more difficult. With the numbers having reduced by just over 40% this strategic risk remains red.
- 4.3.6.** Strategic risk 55 (Fire and Rescue Plan) relating to broadening the roles and the range of activities undertaken by the Service, in particular providing more protection and prevention. This priority remains at substantial risk and the strategic risk is still red.

4.4. There is one red strategic risk which was amber in the last report which is.

4.4.1. Strategic risk 91 (Other functions and statutory duties) relating to proposals to negotiate a devolution deal for Greater Essex. A Level 3 deal incorporating the whole Greater Essex footprint would include the creation of a new Mayoral Combined County Authority (MCCA) and a directly elected mayor, who could subsume the functions and powers currently exercised by the PFCC. It has been agreed in principle with ECC that, under a Level 3 deal, FRA decisions would need to be designated as mayoral decisions. ECC officers have confirmed that they have no appetite to explore an alternative level 3 model, preserving the existing PFCC model alongside a new MCCA, as they believe this would be contrary to government policy, and emphasise that this would not prevent the new mayor from requesting these powers regardless. There were positive discussions held between a delegation of P(F)CCs and the Minister for Crime, Policing and Fire, who made it clear to Home Office officials that he expected resolution to be achieved through primary legislation, and for an interim solution to be found for areas where this could not be achieved before their devolution deals are agreed. However, Home Office / DLUHC officials are proving less than forthcoming in terms of discharging this instruction. Correspondence received from the Minister for Levelling Up on 24 August 2023 advised that she does not consider that any changes are needed to the Levelling Up and Regeneration Bill to allow a mayor to appoint a discrete set of statutory officers to support the discharge of their policing and fire and rescue functions and that, in any event, the opportunity to incorporate such amendments has now passed. Under a Level 3 deal, the policing precept would remain protected / ringfenced for policing, but the fire and rescue precept would be subsumed within a wider mayoral precept, creating the risk of funds currently directed towards the fire and rescue service being diverted to offset the other operating costs of the new mayoralty. Whilst the PFCC and their staff and chief officers are actively engaged in the discussions around this and form part of the negotiating team with the Government, only the three upper tier local authorities (Essex County Council, Southend-on-Sea City Council and Thurrock Council) would be the constituent members of any new Mayoral Combined County Authority and would have to consent to the devolution deal, and the subsequent creation of the MCCA and directly elected mayor. This risk was first introduced in March 2023, but as we get closer to the point of the decision, the risk has heightened, and it has now been increased to a red strategic risk.

4.5. There is one amber strategic risk, which was previously red in the last report, which is

4.5.1. Strategic risk 92 (Other functions and statutory duties) relating to the appointment of external auditors for the 2023/34 financial accounts and beyond. Following a procurement process which left the PFCC unable to appoint local auditors for 2023/24 and beyond. We have since been directly contacting the audit firms that are potentially able to be local auditors for organisations with gross expenditure or income over £500m. This has proven to be extremely challenging, and we are now six months into the first financial year that will be audited under the new contract. Given this is a statutory duty and we were not able to identify a

local auditor, the strategic risk opened with a red score. However, we now having a very viable option to take forward. There is still some risk, but we are hopeful of appointing our local auditors by the end of this calendar year and therefore we have reduced this red risk to amber.

4.6. There is one strategic risk, with an improved amber score since the last report, which is

4.6.1. Strategic risk 70 (Police and Crime Plan) relating to further investment in crime prevention. Essex has secured funding for high visibility patrols in ASB hotspots from central government. We have also secured further safer streets funding from central government in round 5. In addition, we have announced a locally funded safer street fund of £4 million. This marks a significant increase in direct prevention focused funding and has significantly increased our investment in prevention and we have improved the amber score as a consequence.

4.7. There is one strategic risk, with a deteriorating amber score since the last report, which is

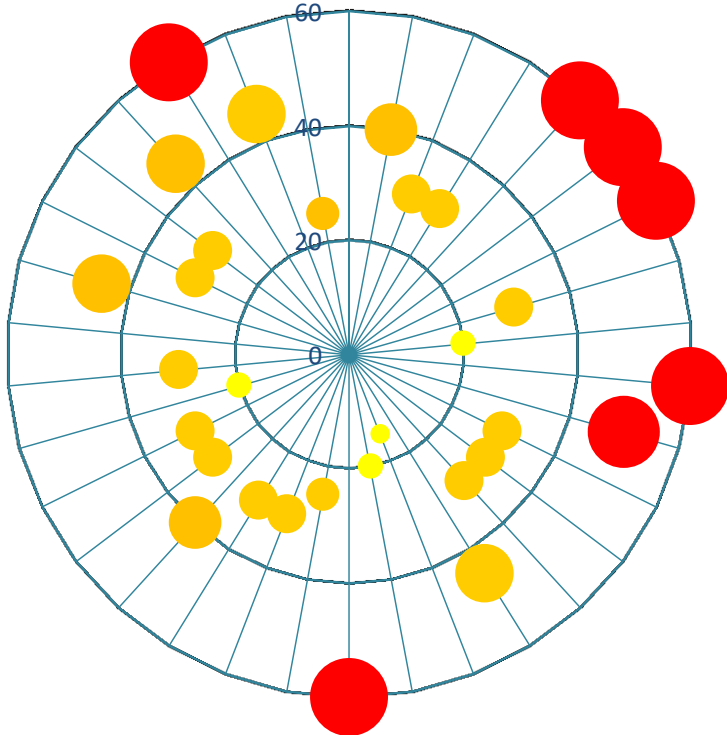
4.7.1. Strategic risk 39 (Use of Resources) relating to the setting of a balanced budget. As we move into the budget setting period with much uncertainty over next year's pay awards and inflation this strategic risk has heightened and has moved to a deteriorating amber strategic risk.

5. The strategic risk register.

5.1. The full detail of each strategic risk is included at Appendix 1, which is the complete strategic risk register. Figure 4 below shows the spread of the current scores and the RAG ratings together with the spread of target scores and the RAG ratings for the strategic risks on the PFCC's strategic risk register. A summary of the strategic risk register is shown in figure 5.

Figure 4

Current RAG scores



Target RAG scores

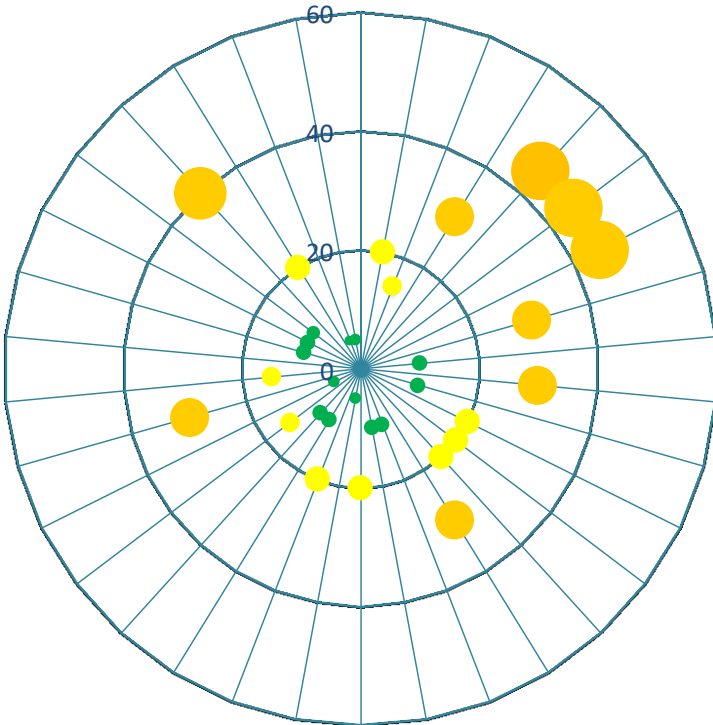


Figure 5

Strategic risk register - 32 strategic risks - 7 red and 25 amber		Score			Risk Appetite
Risk No.	Risk (of not achieving)	Current	Target	Direction of Travel	
Police and Crime Plan -12 strategic risks - 5 red and 7 amber					
52	Improvement in safety on our roads	40	20	No Change	Challenging
70	Further investment in crime prevention	30	15	Improving	Challenging
71	Reduction in drug driven violence	30	30	No Change	Cautious
72	Protection of vulnerable people & reduction in cycle of domestic abuse	60	45	No Change	Cautious
73	Reduction in violence against women and girls	60	45	No Change	Cautious
74	Improvement in the support for victims of crime	60	45	No Change	Cautious
75	Protection of rural and isolated areas	30	30	No change	Challenging
76	Prevention of dog theft	20	10	No Change	Challenging
77	Prevention of business crime, fraud and cyber crime	60	30	No Change	Challenging
78	The encouragement of volunteers and community support	50	10	No Change	Challenging
79	Supporting our officers and staff	30	20	No Change	Challenging
80	Increase in collaboration	30	20	No Change	Challenging
Fire and Rescue Plan - 8 strategic risks - 1 red and 7 amber					
15	Assurance of value for money achieved in contracts.	30	20	No Change	Challenging
40	Protection, prevention and response	45	30	No Change	Cautious
53	Protection of vulnerable people, not exposed to preventable danger	15	10	No Change	Cautious
54	Promotion of a positive culture	20	10	No Change	Challenging
55	The broadening of roles, developing a wider range of activities	60	20	No Change	Challenging
56	Being transparent, open and accessible	25	5	No Change	Cautious
57	Collaboration with partners	30	20	No Change	Challenging
58	Best use of resources	30	10	No Change	Challenging
Use of resources - 4 strategic risks - 4 amber					
10	Commissioning resources supporting the Police & Crime Plan	40	10	No Change	Challenging
39	The setting of a balanced budget	30	15	Deteriorating	Challenging
66	Forecasting not including too much downside	30	5	No Change	Challenging
90	Cost of living (budget, recruitment & retention impact)	45	30	No Change	Challenging
Holding to account - 2 strategic risks - 2 amber					
33	Joint Governance of Police and Fire & Rescue Services	20	30	No Change	Challenging
34	Positive outcome from future inspections of the ECFRS	30	15	No Change	Challenging
Other functions and statutory Duties - 6 strategic risks - 1 red and 5 amber					
61	Protection against fire in high-rise clad building/student accommodation	45	10	No Change	Cautious
63	Compliance with GDPR and Data Protection Act 2018	30	10	No Change	Minimal
67	Appointment of LQCs and IPMs for police misconduct panels	30	10	No Change	Minimal
91	Devolution proposal / PFCC functions and powers	60	20	Deteriorating	Challenging
92	Appointment of local auditors from 2023/24 and beyond	45	5	Improving	Challenging
93	Compliance with Specified Information Order on publication of contracts	25	5	No Change	Cautious