

**Report to the Minister and Accounting
Officer, Home Affairs Department,
States of Jersey**

**Operation Rectangle
Review of the Efficient and Effective
Use of Resources**

May 2010

Strictly Private and Confidential
The Minister and Accounting Officer
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Dear Sirs

In accordance with your instructions, confirmed in our engagement letter dated 29 September 2009, we have prepared a Report considering the efficient and effective use of resources during the Operation Rectangle investigation.

This Report was prepared in connection with your wider review of the management of the Historical Child Abuse Enquiry, specifically to provide some assurance that resources have been used efficiently and effectively.

Whilst previously commissioned Internal Audit reports have endorsed the financial controls over the authorisation, completeness, validity, accuracy and timeliness of recording expenditure, the issue of the use of resources has not been addressed and that is the purpose of this Review.

We do not, in preparing this Report and giving any opinions stated herein, accept or assume responsibility for any other purpose or to any other person to whom it is shown or into whose hands it may come save as expressly agreed by our prior written consent. If others choose to rely on the contents of this Report, they do so entirely at their own risk.

The scope of our work is set out in our engagement letter and summarised within the Terms of Reference on page 4.

We emphasise that our enquiries would not necessarily disclose all matters of significance to you relating to financial management of the Operation Rectangle investigation. We have not carried out any audit work on the financial information included in our report and we express no opinion thereon.

We present and comment on the projected financial expenditure expected to be incurred in this investigation, which are solely the responsibility of SOJP and Home Affairs. Since projected results relate to the future, actual results are likely to be different from those projected, because events and circumstances frequently do not occur as expected. The differences may be material.

The Accounting Officer and Finance Director of Home Affairs reviewed a draft copy of this Report. Their comments have been reflected, where we deem relevant, in this Report.

Yours faithfully



BDO Alto Limited

<i>Term</i>	<i>Meaning</i>
ACPO	Association of Chief Police Officers
BDO	BDO Alto Limited (Jersey)
Cadaver	A cadaver (or corpse) is a dead human body
DCO	Deputy Chief Office
D/SIO	Deputy Senior Investigating Officer
DWG	ACPO Dog Working Group
FSM	Forensic Services Manager
HCAE	Historical Child Abuse Enquiry
HDLG	Haute De La Garenne
HOLMES	Home Office Large Major Enquiry System
HWG	ACPO Homicide Working Group
JAR/6	Item recovered from HDLG on 23 February 2008, initially thought to be part of a child's skull but later shown to be a piece of wood or coconut shell
JD Edwards	Financial accounting and reporting system in place in the SoJ
KPI	Key Performance Indicator
LGC	LGC Ltd, a forensic science service provider
LH	Mr Lenny Harper (ex-SIO)
MIR	Major Incident Room
MIRSAP	Major Incident Room Standard Administrative Procedures
MK	Mr Michael Kellett
MPS	Metropolitan Police Service
NPIA	National Police Improvement Agency
PNICC	Police National Information and Coordination Centre
PolSA	Police Search Advisor
SIO	Senior Investigating Officer
SoJ	States of Jersey
SOJP	States of Jersey Police

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1 Introduction

Background to this Review

- Operation Rectangle is the code name assigned to the Historical Child Abuse Enquiry being undertaken by SOJP.
- The objective of this Review is to provide an independent and objective opinion on the financial and governance controls in place in respect of the HCAE investigation in order to provide assurance to the Accounting Officer and Minister that resources have been used efficiently and effectively.
- BDO has worked alongside Mr Michael Kellett in performing this Review. Mr Kellett is a former Senior Investigating Officer serving in the UK, who also set up the North West Regional Asset Recovery Team. He has been separately engaged by the Acting Chief Officer, SOJP; however this Report represents the joint findings of Mr Kellett and BDO.
- Mr Kellett has specifically provided input to this Review utilising his own knowledge of the management of major police operations as well as police regulations, and has liaised between SOJP and BDO throughout the course of this Review. He has assisted BDO in identifying and commenting upon items of expenditure in specific areas and has held discussions with individuals from SOJP as well as third party contractors involved in this investigation.
- For the avoidance of doubt, this Review does not consider any costs arising as a direct result of the HCAE enquiry that have been incurred by other departments or agencies of the States of Jersey.

Terms of Reference

- The Minister for Home Affairs and the Home Affairs Accounting Officer have instructed BDO to undertake an independent Review to consider the Efficient and Effective Use of Resources by the Home Affairs Department, and in particular SOJP, in relation to Operation Rectangle.
- Whilst previous internal audits commissioned by the Home Affairs Department have considered the financial controls in place in respect of the authorisation, validity, accuracy and timeliness of recording expenditure, the issue of the use of financial resources has not previously been addressed and is the focus of this Review.
- The terms of reference for this Review is to examine and consider the following in respect of the HCAE investigation:
 - The costs associated with personnel, to include overtime costs as well as accommodation, travel and subsistence;
 - The costs associated with all external supplies and services; and
 - The internal governance arrangements that existed within SOJP to ensure the effective management control and the efficient and effective use of resources.
- We understand that Operation Rectangle remains as an active and ongoing investigation, although is contracting in size.

Format of our Reporting

- This Review was undertaken confidentially given that the HCAE investigation remains ongoing.
- As part of the Review we have met with and interviewed the key personnel involved in the management of the investigation, within both SOJP and Home Affairs, as well as the two principal external consultants – Mr Grime and LGC, both of whom we discuss in some detail in this Report. We have not interviewed the ex-SIO, Mr Harper, as part of this Review.
- Our Review has focussed on the costs incurred in the period to 24 March 2009, as provided to us by Home Affairs. It considers only those costs incurred by SOJP and does not consider costs incurred by any other department or office of the SoJ, for example the Law Officers Department.
- Our Report provides a record of the key findings arising from our detailed Review (rather than a full record of all work undertaken in our Review, given the confidentiality and sensitivity of the HCAE investigation, and the fact that it remains ongoing). We present our key findings as Observations, Issues and Recommendations.
- In undertaking this Review and throughout the preparation of this Report we have been conscious of the fact that detailed scrutiny of any major enquiry will reveal errors, omissions and learning opportunities, particularly given the benefit of hindsight. It has not been our intention to be ultra-critical in our conclusions and we have attempted to be fair to all of those involved. However, we do identify a number of concerns regarding the manner in which resources were utilised and managed during the course of Operation Rectangle, particularly in the period post discovery of exhibit JAR/6.

Structure of this Report

- We have reported in the following sections.
 - In Section 1 we provide a background to the appointment of BDO and Mr Michael Kellett to undertake this Review;
 - In Section 2 we provide an overview of the costs incurred to date, as well as forecasted spend relating to the enquiry;
 - In Section 3 we consider the financial governance in place and make a number of recommendations;
 - In Section 4 we consider personnel costs, including both local personnel costs as well as mutual aid;
 - In Section 5 we consider hired service (outsourced) costs;
 - In Section 6 we consider forensic services costs, and in particular the cost of third party contractors; and
 - In Section 7 we consider other cost items.
- This Report focuses on significant items only, and the reported findings represent our views and conclusions based on our Review.
- In each Section of this Report we have summarised our significant observations, issues and recommendations. This Review identified a considerable number of matters, some of which are confidential given the nature of the enquiry. As a result only key themes are reported in this Report, which represent learning opportunities for future major investigations.
- We have provided further direct feedback to the Minister and the Accounting Officer as part of this reporting process.

Approach and Consultation

- We have considered the financial management processes employed to ensure the efficient and effective use of resources, and thus value-for-money for the taxpayer. The profile of the investigation (both within the Island and externally) was extremely high and relatively unique. Nevertheless, our starting point has been to consider whether financial management of this investigation has been in accordance with both SoJ and SOJP standard protocols and best practice.
- For completeness purposes our Review has also considered costs incurred post 24 March 2009 and forecasts to end-2010. Thus, this Review seeks to quantify the total anticipated costs of Operation Rectangle to the taxpayer.
- Our Review has not sought to consider operational decisions *per se*, for example the number of police officers deployed to the investigation. Instead it focuses solely on the amount of funds spent on the investigation, the background to why costs were incurred (insofar as we are able to determine) and whether these costs were incurred with due regard for value-for-money.
- Our Review relied on information gathered from various sources, principally:
 - Detailed financial records maintained by Home Affairs as well as SOJP including ledgers, invoices and contracts relevant to specific expenditure items;
 - Meetings and other communications with key individuals within Home Affairs and SOJP who were involved with this investigation;
 - Meetings and other communications with key contractors who were employed in this investigation;
- Review of relevant documents maintained on HOLMES and by Home Affairs and SOJP; and
- On-line searches and other public information sources.
- A draft of our Report has been provided for comments to the following persons to establish factual accuracy; their comments have been reflected where appropriate:
 - Accounting Officer, Home Affairs
 - Finance Director, Home Affairs
- As previously reported, we have not had an opportunity to discuss the content of this Report with the ex-SIO, Mr Lenny Harper.

Appreciation

- We wish to acknowledge and thank the Home Affairs Department and States of Jersey Police in particular for the assistance afforded to us during the course of our Review and during the production of our Report.
- We make reference to, and would like to reconfirm, the fact that many officers, and contractors, worked extremely hard throughout the course of this investigation. This Report is not intended to be in any way critical of their individual efforts, and recognises the considerable personal sacrifices made by many of them as a result of, for example, the requirement to work a considerable amount of overtime.

2 Costs of the Investigation

Background

- During 2006 and 2007, SOJP undertook a covert investigation into accusations of offences concerning the abuse of children.
- In September 2007, Operation Rectangle began as an enquiry into historical child sex abuse accusations. The investigation was made public in November 2007.
- A detailed search at the HDLG complex commenced on 19 February 2008 and, on 23 February 2008, exhibit JAR/6 (initially described as a piece of 'skull') was excavated within the main building at HDLG. The investigation subsequently became a child homicide enquiry attracting significant media interest within and outside of the Island and the financial resources applied to the investigation increased very significantly.
- This Review considers whether the total expenditure incurred on Operational Rectangle in the period to 24 March 2009, totalling £5.1 million, represents an efficient and effective use of resources and was incurred with due regard for value-for-money.

Investigation costs

- We have set-out in the table opposite an analysis of investigation costs in the period to 24 March 2009, which were considered in detail during our Review, as well as costs to 31 March 2009 and the total costs as at 30 September 2009.

Figure 2.1: Investigation cost overview (to 30 September 2009)

	Costs incurred to 24 March 2009	Additional costs to 31 March 2009	Total costs to 30 September 2009
	£	£	£
Personnel costs:			
- Police employees	892,328	33,954	
- Civil service employees	299,656	8,000	
- Police authorities and similar	1,586,734	255,853	
Hired services:			
- HOLMES	88,302	-	
- ACPO / MPS Review	18,630	61,600	
- NSPCC	50,567	11,100	
- Other	131,066	-	
Forensic services:			
- Mr Grime (canine search assets)	92,705	-	
- LGC	452,991	-	
- Other forensic costs	8,501	-	
Meals, entertainment, travel and hotels	1,230,483	57,988	
Computer / equipment purchase	119,986	-	
Materials	23,167	-	
Other administrative costs	32,672	1,131	
Electricity and rents	38,099	-	
Sundry other costs	46,147	1,110	
Total costs	5,112,034	430,736	6,687,049

Source: Home Affairs and BDO analysis

- The estimated investigation spend in the quarter to 31 December 2009 is £191,800, which will take the total costs incurred in the period to 31 December 2009 to £6,878,849.
- The forecast investigation spend in 2010 is £802,000. Thus, the total anticipated cost of this investigation to the Jersey taxpayer in the period to 31 December 2010 is £7,680,849.
- These costs, being the costs incurred in the period to 31 December 2009 as well as the forecast costs for 2010, represent SOJP's own investigation costs relating to the enquiry and therefore exclude, amongst other things:
 - Costs incurred by all other departments and agencies of the States of Jersey, including the Law Officers Department;
 - Costs incurred in undertaking building rectification work at HDLG, to reinstate and make sound the internal fabric of the building, which was subject to significant excavation by SOJP;
 - Costs associated with any future Public Enquiry;
 - Any future claims for compensation, in whatever context, plus costs of administration;
 - Costs incurred directly and indirectly as a result of the investigation undertaken by Wiltshire Police concerning the Chief Officer, SOJP;
 - Any further workload associated with any future witnesses and / or alleged victims;
 - Any extension of the enquiry beyond 2010.

Primary drivers of the Investigation spend

- As we stated earlier, we have not considered operational decisions *per se*, that is not the brief behind this Review and, in any case, we are conscious of the dangers of commenting with hindsight. But, before reporting our detailed findings it is important to set-out what we consider to be the key 'trigger' events that directly impacted major elements of the financial cost of this investigation.

Trigger Event No.1: The Decision to Enter the HDLG Building itself

- A decision to mount a search operation in the grounds of HDLG was made on 22 January 2008. LGC, an international provider of forensic science services, were commissioned to undertake a scoping study. Careful planning involving the SIO and FSM, LGC and Mr Martin Grime (who is a UK based specialist dog handler) subsequently resulted in a search of the grounds commencing at HDLG on 19 February 2008.
- There was, at that time, no intention to enter the HDLG building itself and LGC confirmed to us that it had been made very clear to them that they were not going inside. Mr Harper also appears to have been very clear on this position, which was confirmed in various emails from him to the FSM on 11 and 12 February 2008.
- However, and for whatever reason, this position changed, and on 20 February 2008 we have been told that it was suggested sending Mr Grime's dog(s) into the HDLG building for "a quick look".
- And once the team were inside the building the nature and scope of the investigation evolved rapidly. An initial excavation on the ground floor below a stairwell began on 21 February. On 23 February, LGC uncovered a fragment (JAR/6) that was believed, at the time, to be human bone and was described as '*a fragment of juvenile rather than an adult cranium.*' This fragment measured approximately 6.3cm by 4.4cm.

- Even whilst this find, JAR/6, had not yet been subject to laboratory testing or peer review, the search of the building entered an intensive phase. And as it was described to us, ‘... we followed the dog [one of Mr Grime’s search dogs]; where the dog barked was dug up.’
- A conclusion expressed by the MPS review team in their report dated December 2008 is highly relevant to us. MPS considered in detail the rationale for the searches/excavations at HDLG and the Victoria Tower bunkers. Based on their review they concluded that at the time the searches were conducted they could not be justified by the available facts, and that no further information had since been received that would alter that view.
- We are therefore drawn to the conclusion that very considerable elements of the total investigation spend, which was incurred directly and indirectly in connection with the lengthy searches and excavations within HDLG and subsequently the bunkers at Victoria Towers, was questionable from a financial efficiency and effectiveness perspective.

Trigger Event No.2: Announcement to the Media

- Almost immediately following the discovery of JAR/6 (that same day), and before any further scientific analysis had taken place to confirm the nature of that find (which measured 6.3cm by 4.4cm), SOJP / Mr Harper released information concerning the find to the media and issued a press release describing the item as ‘*the partial remains of a child*’.
- Following this announcement, on 26 February 2008, the former Chief Minister made a statement in the States Chamber that, ‘*Members are all now aware that over the weekend the Police announced the discovery of the apparent remains of a child buried at the former children’s home at Haut de la Garenne ... Yesterday the Council of Ministers met and confirmed our fullest support for the Home Affairs Minister, the Police and our Criminal Justice*

*authorities. We also confirmed that all **necessary resources** [our emphasis] will be made available to ensure the most comprehensive enquiry possible, and to support any prosecutions that lead from it.’*

- Mr Matt Tapp, a UK communications expert subsequently engaged by SoJ to consider statements made to the media reported that, ‘*Statements made in relation to the item recovered on 23 February 2008 were not accurate and incited an enormous media coverage which at times was hysterical and sensational and was in turn equally inaccurate and misleading ... Given the lack of evidence collated to prove that a child’s remains had been found at Haut de la Garenne, the statements made by the States of Jersey Police could have been more accurately phrased and could have generated more measured and less prominent media coverage.*’¹
- Sir Christopher Pitchers, sitting as Judge in proceedings brought against persons charged with offences committed at HDLG, also commented regarding JAR/6: ‘*What was not right was for Mr Harper immediately to call a press conference to announce that the remains of a child had been discovered.*’²

Escalation of the Enquiry in terms of size and scope

- The discovery of JAR/6, the immediate announcement to the media of that discovery and the subsequent statement by the Chief Minister that all **necessary resources** would be available to the investigation, culminated in the pace of investigation accelerating very significantly and, from a financial management perspective, in a far more costly and unstructured way.
- This was at all times an **historic** enquiry and therefore we consider that time should have allowed for a full scientific review of the

¹ Extracts published in the Jersey Evening Post, 21 August 2009 (note, we have not seen a copy of Mr Tapp’s report as part of our Review)

² *ibid*

find (JAR/6) to be undertaken, and the development of a full forensic strategy prior to any significant further intrusive searches being considered and/or conducted within the HDLG building. This was particularly pertinent given the considerable costs that would be involved in an extended search of the building, coupled with the fact that the decision to extend the search was a major deviation from the original strategy. However, instead the pace of excavation inside the building accelerated whilst the results of the testing of JAR/6 were still being conducted in the UK.

- JAR/6 was subsequently examined on 31 March 2008 by a scientist from the University of Oxford Radiocarbon Accelerator Unit and by a scientist from the British Museum and was found to be a piece of wood or coconut shell. We are not aware what if any impact this advice had on the conduct of the investigation, and in particular the forensic excavations, at that stage of the enquiry. We note, however, that the forensic excavations at HDLG continued long-after 31 March 2008.
- Following the finding of JAR/6 and the immediate media release, there followed five months of intense activity at HDLG and at the nearby Victoria Tower bunkers, which directly and indirectly resulted in the spending of millions of pounds of public money by consequence of the further searches and major excavation work inside those buildings, and related enquiries – all undertaken, it now appears, without a clear forensic strategy.
- The NPIA review team remarked that, ‘A clear strategy from the outset could have considerably reduced the amount of work required whilst achieving the same results’.
- Prior to the decision being made to enter the building, the quotes received by SOJP for the limited search of the HDLG grounds were £12,278 from LGC and £5,250 from Mr Grime, plus travel and accommodation costs. However, by the time the building searches (and the neighbouring Victoria Tower site searches) were concluded in early August 2008, these two contractors had cost the

investigation £488,111 and £108,075 respectively (including hotel costs).

- We consider that the two ‘trigger’ events described above led to the immediate and significant increase in investigation costs from 23 February 2008. This included the costs of mutual aid policing, overtime for the investigation team and, significantly, the costs of providing a 24 hour, seven day per week security cordon on the investigation sites for a period of 5½ months, which alone cost £575,000 in Police staff overtime costs. Prior to the decision to search inside the HDLG building, total investigation costs had been relatively modest.
- We can only speculate at this point, however the statement made by the former Chief Minister to the States on 26 February 2008 may have been very different had an alternatively phrased statement been made to the media by SOJP / Mr Harper following the discovery of JAR/6, or alternatively had no statement been made at that point pending scientific confirmation of the find.
- Further, we consider that the statement made by the former Chief Minister was unprecedented and appears to have been wrongly interpreted by certain persons involved in this investigation that ‘money was no object’. We have recorded various references throughout this Review to individuals’ interpretations of this statement and these references lend support to our assertion.
- We do not consider the intention of the former Chief Minister’s statement was to remove the obligation to manage investigation expenditure appropriately. However, as a result of this Review we have a number of concerns over many aspects of the manner in which resources were utilised and managed, and the significant financial consequences thereof on the public purse.

Observation	Issue	Recommendation
<p>The total spend in this investigation was heavily influenced by the expansion of the enquiry post discovery of JAR/6 and the immediate statement to the media.</p> <p>In particular forensic fees, mutual aid costs, salary and overtime costs, and hotel and travel costs were substantial as a result of the expansion of the enquiry.</p>	<ul style="list-style-type: none"> ■ We have no major concerns about the overall management of investigation costs prior to the discovery of JAR/6 on 23 February 2008. ■ The statement to the media immediately following discovery of JAR/6 undoubtedly caused the investigation to shift from being a child abuse investigation to a child homicide investigation. ■ We question whether a statement should have been made to the media prior to a peer review of the find having taken place, or scientific confirmation having been received. ■ The announcement to the media of the find of JAR/6, described as 'the partial remains of a child' led to the unprecedented statement by the former Chief Minister that all necessary resources would be made available to SOJP; this appears to have been interpreted by many to mean that 'money was no object'. ■ And immediately after the discovery and the statement by the former Chief Minister, the pace, scale and cost of the investigation accelerated very rapidly and significantly; and in a far more costly and unstructured way. 	<ul style="list-style-type: none"> ■ Recommendation #1: a media communication strategy should form part of the overall investigation management strategy. This should apply to SOJP and, in the wider sense, to SoJ who we consider should also have a media strategy aligned to SOJP (insofar as the SoJ wish to, or need to make comment in respect of a Police investigation, as was the case here). ■ In this case, the SIO appears to have handled media enquiries and taken the decision to make press statements. The nature of these statements undoubtedly influenced the way in which the investigation progressed and the way money was spent. ■ We recommend that in future the Force Press Officer be involved in determining the form and content of any media release, and that the Chief Officer be consulted and be requested to approve any media statements before they are made. ■ In situations where there may be considerable international media interest, then consideration should be given to appointing external media counsel to manage media statements and media relations.

3 Financial governance and control

Opening remarks

- By statute, the Chief Officer, SOJP, reports directly to the Minister for Home Affairs. The only direct ‘operational’ relationship that exists between Home Affairs and SOJP is therefore that the Chief Officer of Home Affairs also acts as Accounting Officer and is therefore responsible for the SOJP budget.
- The Accounting Officer has no managerial and/or operational oversight role, and SOJP have total operational independence and autonomy at all times. This is consistent with the UK forces, albeit we understand that they have a more evolved system of financial accountability in place.
- Following the Operation Rectangle investigation being made public in late 2007, the enquiry costs quickly escalated albeit there remained no direct dialogue between SOJP and Home Affairs in early 2008 – the Accounting Officer refers to Home Affairs as being “*out of it*” at that point in time.
- We understand that after the former Chief Minister’s statement on 26 February 2008 (regarding the discovery of the apparent partial remains of a child), the impetus of the investigation overshadowed financial oversight given that Home Affairs personnel believed that SOJP were dealing with child homicide and therefore should be provided with space to run their investigation.
- The Finance and Administration Manager at Home Affairs was tasked with trying to forecast ongoing spend, but advised us that with a general lack of financial control and governance in place at SOJP in respect of this investigation he had very limited information to aid this forecasting process.
- He met with the SIO approximately six weeks after the discovery of JAR/6, in order to discuss investigation spend and to try and obtain more information in order to forecast spend going forward for Treasury. He has advised us that at this meeting he was told by both the SIO and D/SIO that the operation would be cleared up by 9 May 2008. There were no minutes taken of this meeting and he obtained very little information regarding ongoing spend from the SIO at this meeting, although he was advised that there would be costs coming in for Martin Grime (the specialist dog handler) at some point.
- Other matters raised at that meeting included questions around the quantity and value of outstanding invoices as well as the process and timing for receipt of bills from UK forces and estimated costings. We are informed that the Finance and Administration Manager received very little meaningful response to his queries.
- There were a number of subsequent meetings with the D/SIO during the investigation to specifically discuss the UK Police costs (mutual aid costs); again, the Finance and Administration Manager has advised us that very little came out of these meetings and there were no minutes taken.
- Two other points specifically raised by Home Affairs with the SIO during the course of the investigation related to the ‘Australia Trip’ and ‘General Travel / Recruitment’. We considered these two items as part of this Review.
- In Mr Harper’s statement to Wiltshire Police he notes that several meetings took place with Home Affairs (during the course of the investigation) but that he was never asked for detailed forecasting of costs. This contradicts with our discussions with the Finance and Administration Manager at Home Affairs.
- Mr Harper also notes in his statement that Home Affairs queried certain expenses, such as the Australia trip, but that they were always happy with the explanations given.

- We understand that Home Affairs were aware of the high costs and overtime payments being incurred in operating the cordon at HDLG, and subsequently at Victoria Towers also. This was reviewed on a monthly basis and the costs of the cordon as well as other Operation Rectangle expenditure was raised as a discussion item by the Home Affairs Finance and Administration Manager at the Force Finance Meetings, which were also attended by the Superintendent and the three Chief Inspectors; we understand with little response³. We were also advised that Home Affairs had been informed that the cordon was in place for a short term only – hence the lack of challenge in respect of its ongoing cost.
- We have formed the overall view that the monitoring environment in place around Operation Rectangle did not support the proper scrutiny of expenditure by Home Affairs on a timely basis, and the review process lacked structure and relied upon unminuted and infrequent meetings between the Home Affairs Finance and Administration Manager and SOJP personnel in the main. This approach appears partly driven by Home Affairs' desire to provide the enquiry team with 'space' to deal with, what was thought to be at the time, a child homicide investigation.

Communication between Home Affairs and the Treasurer

- Correspondence between the Accounting Officer and the Treasurer of the States is relevant to the understanding of financial oversight exercised by both Home Affairs and the Treasurer during the course of this investigation.
- The Accounting Officer wrote to the Treasurer on 3 March 2008 seeking confirmation that, following the former Chief Minister's statement in the States on 26 February 2008 that the costs

associated with the HCAE enquiry would be met from outside of the Home Affairs' Department cash limits.

- Clearly, the unprecedented nature of the former Chief Minister's statement meant that established protocols for the request of financing were not appropriate in the circumstances. The Deputy Treasurer of the States responded to the Accounting Officer in a letter dated 12 March 2008 advising that:

"I agree that it is most sensible to seek early guidance over funding arrangements ... I am currently considering how best to implement the Council of Ministers decision to make all necessary resources available to ensure the most comprehensive enquiry possible ... the Finance Advisory Board is meeting next week and I will be putting arrangements in place through the Board members to collect and collate unbudgeted costs associated with this matter. At the same time, I will provide guidance on how these unbudgeted costs and forecasts are to be presented in quarterly reports to the Council of Ministers."

- On 28 March 2008 the Accounting Officer wrote again to the Treasurer in response to the letter dated 12 March. This letter of 28 March 2008 hastened details of how the budgeted costs were to be funded:

"I am grateful for [the Deputy Treasurer's] confirmation that the appropriate funds will be available for Home Affairs and other departments that are incurring unbudgeted costs as a result of the above investigation. No doubt we will receive, in due course, details of how these unbudgeted costs are to be funded. In addition, early guidance on how expenditure forecasts are to be presented in the quarterly financial reports to the Council of Ministers would be much appreciated."

- There followed other correspondence. A letter from the Accounting Officer to the Treasurer dated 31 July 2008 was written to provide certain assurances as to HCAE investigation spend:

³ Although none of these officers had any ongoing or direct involvement in the management of the investigation and indeed, they have told us that Mr Harper made it very clear to them on a number of occasions that they were not to involve themselves in it

“ ... I am writing to provide you with certain assurances regarding the costs incurred, and forecast, by the Home Affairs Department.

In respect of value for money and governance, there are strict levels of authority for all expenditure by the inquiry team and the Senior Investigating Officer (SIO) has confirmed that all expenditure has been necessary to further the operational aims of the inquiry. My Finance Director has been monitoring significant areas of expenditure during the progress of the inquiry and we have met with the SIO to review levels of expenditure and the ongoing costs of the inquiry.

In addition the Chief Officer, States of Jersey Police (SoJP) has advised that, with regard to expenditure in respect of the inquiry, he is assured by those in direct control that the appropriate arrangements are in place. The Chief Officer has established a Finance Oversight Board to oversee future financial issues which will give stronger assurances. Membership includes the SIO, Finance Director and myself.

As at 30 June the SoJP had incurred unbudgeted costs of £2,579,000 in respect of the inquiry with a year end forecast of £4,531,700 compared to a forecast of £3,373,700 as at 31 March. The increase in the forecast is due to the following:

- *Withdrawal date from Haut de la Garenne – originally forecast to be early May but actual date was early July. This has resulted in a significant increase in security costs.*
 - *Excavation of a second site.*
 - *Increase in forensic costs due to the number of items found at Haut de la Garenne.”*
- This letter serves to articulate the considerable reliance that was being placed on the Chief Officer and SIO to confirm to Home Affairs that all expenditure being incurred was to further the

operational aims of the enquiry and that appropriate arrangements for the control of spend were in place. These representations were, at the time, replacing rather than supplementing more formal review processes.

- Clearly, these assurances became insufficient for the Accounting Officer. A letter from the Treasurer to the Accounting Officer dated 1 December 2008 seeks to confirm reimbursement of actual expenditure incurred by SOJP in the period to 30 September 2008. However, the letter also advises the Accounting Officer that the Treasurer is “... *very unhappy with this situation ... I do not think an arrangement is sustainable whereby an Accounting Officer is not able to provide an assurance that the level of public expenditure incurred was entirely justified. Would you please, as a matter of urgency, let me know your suggestions for how we can address this situation to clarify your position in relation to expenditure by the States of Jersey Police.*”
- A detailed response from the Accounting Officer dated 31 December 2008 demonstrates the issues faced by him with no operational management role within SOJP. In that letter the Accounting Officer notes that:

“If an accounting officer is put in a position where an assurance cannot be given, it would have to be for good reason. I have of course provided the required assurance in the past based upon the information given to me at the time and having been assured by the Senior Investigating Officer, amongst other things, that:

- 1. The National Policing Improvement Agency have also been overseeing the phase of the enquiry at HDLG and have stated that they see the operation there as an example of best practice.*
- 2. There are strict levels of authority for all expenditure which ACPO have examined.*
- 3. The governance, which is also being checked by the ACPO homicide working group, is exactly the same in other homicide/*

major enquiry funding. All expenditure is monitored. All is necessary to further the operational aims of the enquiry.

I have also followed this up with audit to verify the information being advanced. However, none of us can foresee the future and the position we find ourselves in now is that serious doubt has been cast ... over the appropriateness of significant expenditure ... and the overall course of the enquiry. In such an unprecedented situation where the States of Jersey Police is concerned, I am clearly unable to give the assurance requested. To do otherwise would imply lack of integrity on my part which I am not prepared to do ... Once again as accounting officer, albeit for the best of intentions, I have been placed in the difficult position of being responsible for expenditure committed by others. ...

As to how the situation should be addressed for the future, I have discussed the accounting officer arrangements with the Acting Police Chief and we have agreed to discuss the alternatives with the new Minister. It seems likely that this will give rise to a recommendation that the accounting officer arrangements within Home Affairs are changed in the light of this experience. In the meantime, I shall continue to monitor expenditure through the Financial Oversight Board which was put in place in July. Additionally, inquiry finance is a standing item on the Strategic Co-ordinating Group (Gold) which either myself or the Finance Director attends.”

- We note from his letter that the Accounting Officer was necessarily relying on representations from Mr Harper that, *inter alia*, NPJA, ACPO and HWG had ‘overseen’, ‘examined’ and ‘checked’ aspects of the enquiry relevant to best practice and financial governance. This implies a far greater degree of detailed oversight from these bodies than appears to us to have been the case based on the information we have seen during our Review.
- We consider that this letter clearly demonstrates the need for the financial reporting lines between SOJP and Home Affairs to be

further formalised, and a robust set of monitoring and reporting procedures put in place in respect of future major investigations. This would enable the Accounting Officer to obtain tangible and demonstrable evidence of his monitoring of costs incurred by SOJP and/or an enquiry team on a timely basis, which could be provided onward as required (e.g. to the Treasurer); it would also enable the Accounting Officer to discharge his responsibilities under the Finance Law. In this instance it appears to us that the Accounting Officer was placed in an extremely difficult situation, as explained in his letter to the Treasurer dated 31 December 2008.

- It has also been suggested to us by the Home Affairs Finance and Administration Manager that had he been seconded to SOJP during the course of the investigation, or at least during its most intense period, that he may have been able to actively contribute to the management and control of expenditure – a point which we feel is worthy of further consideration for future investigations.

Formation of the Strategic Coordinating ('Gold') Group

- Following his appointment, the Deputy Chief Officer of SOJP (now the Acting Chief Officer) carried out a strategic review of the enquiry, as a result of which he established a Strategic Coordinating Group, otherwise referred to as the Gold Group, to ensure oversight and responsibility for all matters connected with the enquiry including finance and resourcing.
- The first meeting was held on 1 September 2008 when the Chair suggested that a Finance representative should attend future meetings. After that, either the Accounting Officer or Finance Director, Home Affairs, attended the Group.
- Membership included representatives from SOJP, the SIO, D/SIO and representatives from the Law Officers and Chief Minister's Departments. Initially meetings were held weekly and later on, as and when necessary. Both resourcing and finance are standing items on the agenda.
- Whilst Treasury are not represented directly on this Gold Group, the fact that resourcing and finance are standing items on the agenda demonstrates stronger financial governance.
- This Gold Group facilitates a closer scrutiny of actual investigation expenditure and forecasts which in turn facilitates more robust and assured communication from Home Affairs to Treasury and thus assists the Accounting Officer to discharge his duties under the Finance Law.
- We have set out our key observations, issues and recommendations as regards financial governance on the following pages.

Observation	Issue	Recommendation
<p>The Investigation did not have a proper budget established from the outset.</p> <p>It was stated by the SIO that, <i>“We don’t have a monthly budget. Obviously we owe it to the tax payer to make sure the money we spend is spent wisely and effectively but the Chief Minister has made it clear that any resources that are needed to do the job then those resources will be provided.”</i></p>	<ul style="list-style-type: none"> ■ There was no budget against which SOJP and Home Affairs could monitor investigation costs on an ongoing basis. ■ With no budget in place, Home Affairs had no visibility on forecast expenditure levels. ■ This, coupled with minimal financial reporting generally, did not properly allow the Accounting Officer at Home Affairs to discharge his obligations under the Finance Law i.e. he did not have sufficient and timely information to enable him to scrutinise investigation expenditure or forecasts. 	<ul style="list-style-type: none"> ■ Recommendation #2: a budget should be established at the outset of a major investigation, and actual expenditure should be tracked against it. Whilst it is inevitable that the fluidity of investigations will cause any budgets to be revised throughout the investigation process, this in itself is not a reason to not establish a budget in the initial stages of the investigation and to then update it as a ‘live’ document on an ongoing basis. ■ Recommendation #3: there should be regular reporting of actual and budgeted financial information from SOJP to the Accounting Officer during the course of any major investigation. This will provide the Accounting Officer with visibility on forecast investigation spend, enable him to scrutinise incurred costs and generally allow him to properly discharge his obligations under the Finance Law.
<p>There were few finance policies in place to ensure proper management of investigation spend.</p> <p>The SIO was clearly cognisant of the need to manage investigation spend – Finance Policy Decision #1 records that <i>“All expenditure to be monitored to ensure maximum operational effectiveness and financial accountability”</i> – however, this does not appear to have occurred in practice.</p>	<ul style="list-style-type: none"> ■ Only six entries were made in the Finance Policy File on HOLMES between 1 October 2007 and 30 March 2008. ■ We consider that the finance policies that were put in place were not followed routinely or robustly, e.g. all expenditure >£1,000 should have been approved by the SIO himself, although this did not routinely occur once the investigation increased in size. 	<ul style="list-style-type: none"> ■ Recommendation #4: procedures should be put in place to ensure that adequate financial policies are developed by the SIO and communicated to the senior investigation management team. Compliance with these policies should be reviewed on an ongoing basis, which may involve the Chief Officer, SOJP requesting support from the States Internal Audit function on a more regular basis. The role of the Finance Manager in this process is also critical and forms part of Recommendation #5 below. ■ The finance policies should be kept under review as the investigation progresses given that they may need to be revised, e.g. it may become impossible or impractical for the SIO to approve all expenditure >£1,000 as was the case here.
<p>The increase in the scale of the enquiry following discovery of JAR/6 should have resulted in the formalisation of procedures in respect of the management of cost, however this did not occur.</p>	<ul style="list-style-type: none"> ■ There is only one further entry in the Finance Policy File following discovery of JAR/6 on 23 February 2008. ■ Financial spend was heavily influenced by the immediate expansion of the enquiry post discovery of JAR/6, particularly in respect of forensic fees, mutual aid costs, salary, overtime and hotel and travel costs. 	<ul style="list-style-type: none"> ■ The creation of a proper budget and regular reporting of actual costs (recommendations #2 and #3) would have facilitated timely and robust scrutiny of investigation costs by the SIO, SOJP management and the Accounting Officer at Home Affairs. ■ We also recommend the appointment of a Finance Manager and make a specific recommendation below in this regard.

Observation	Issue	Recommendation
<p>The investigation lacked a dedicated Finance Manager and, even if not deemed necessary at the outset, then one should have been appointed following the discovery of JAR/6 and the significant increase in scale of the investigation.</p> <p>MIRSAP states that the role of Finance Manager coordinates all of the administration and financial issues regarding staff, vehicles, accommodation, refreshments and equipment, thereby relieving the SIO and the Office Manager of all administrative matters not connected with the operational conduct of the enquiry itself. Examples given of the type of expenditure that it is important to monitor include overtime, travel costs, expenses, forensic matters and consultants' fees, all of which were significant cost items in this investigation.</p>	<ul style="list-style-type: none"> ■ MIRSAP states that a Finance Manager should be appointed immediately and is crucial in setting-up a major enquiry. ■ By not appointing a Finance Manager, the roles are necessarily covered by operational policing resources and other administrative staff on a more fragmented and uncoordinated basis, which does not maximise investigation efficiency or effectiveness. ■ A Finance Manager should prepare budgets and enable the SIO to properly manage the costs of the investigation, as well as provide a proper basis to requests for funding. ■ In this instance, we consider that the information being produced by a Finance Manager would have better enabled the Accounting Officer to properly respond to enquiries being made of him by the Treasurer. ■ MIRSAP considers that a key task is to provide <i>"timely and accurate ongoing weekly reports on costs."</i> 	<ul style="list-style-type: none"> ■ Recommendation #5: a Finance Manager should be appointed early on in a major investigation. ■ We consider that the appointment of a Finance Manager was required in this case in order to ensure that, <i>inter alia</i>, proper finance policies were put in place and were properly applied; proper scrutiny of costs was possible on an ongoing and timely basis; that there was ongoing and detailed forecasting of future cost; and the burden of day-to-day financial overview was removed from the SIO.

4 Personnel costs

Police employees

Management of the Investigation

- States of Jersey Police employees, supported by civilian staff and mutual aid officers staffed this investigation. We consider the staff costs of managing the investigation prior to considering other staffing costs of a more operational nature.
- The management of investigations into serious crime are difficult and complicated tasks. The mass of information generated during a lengthy major enquiry, combined with the exacting demands of the criminal justice system, provide a myriad of opportunities for error, the slightest of which can result in the guilty going free or in the innocent being convicted.
- HOLMES – the Home Office Large Major Enquiry System – was introduced in the UK in 1986 as a computer based system designed to assist in the management and analysis of information gathered during these types of investigation.
- HOLMES is a very powerful tool but an extremely complex one and to utilise it successfully requires training, regular refresher training and practical experience of using it. It also demands strict adherence to the rules (‘conventions’) governing its operation.
- Subsequent to the introduction of HOLMES and as an essential complement to it, the ACPO Major Incident Room Standard Administrative Procedures (MIRSAP) and the ACPO Murder Investigation Manual were published and both have now gone through several editions. Indeed, HOLMES could not be operated effectively without reference to MIRSAP, which incorporates the HOLMES conventions.

Figure 4.1: Personnel cost overview (all costs to 24 March 2009)

	£	£
Police employees:		
- Cordon overtime	574,591	
- Non-cordon overtime	217,150	
	<u>791,741</u>	
- Other Police employee costs	100,588	
		892,329
Civil service employees:		
- Basic salary	217,027	
- Overtime	69,673	
- Other costs	12,956	
		<u>299,656</u>
Police authorities and similar		1,586,734
Total personnel costs		<u>2,778,719</u>
<i>Personnel costs as a %age of total costs</i>		<i>54.0%</i>

Source: Home Affairs and BDO analysis – costs for the period to 24 March 2009 only

Figure 4.2: Police employees overtime cost analysis (total)

	£
Overtime at time and a half	242,825
Overtime at double time	522,241
Other overtime costs	26,675
Total Police overtime costs	<u>791,741</u>

Source: Home Affairs and BDO analysis – costs for the period to 24 March 2009 only

- As well as setting out the administrative procedures to be adopted in a MIR, MIRSAP also provides a detailed explanation of the management structure for a major investigation and provides comprehensive job descriptions for every role performed, from the SIO to the typist. A key consideration within the document, which is 285 pages long, is financial accountability, and this is reflected in the importance given to the role of the Finance Manager (we refer here to our Recommendation #5).
 - The Murder Investigation Manual provides a wealth of advice on strategies for conducting homicide investigations in an efficient, operationally effective and cost effective manner.
 - In 2000, an enhanced version of HOLMES, 'HOLMES 2', was introduced. Together, these three tools (being HOLMES, MIRSAP and the Murder Investigation Manual) underpin the investigation of serious crime throughout the UK and are used by every police force, including the Royal Military Police.
 - Whilst of course not part of the UK, the policing system in Jersey does not differ to any significant extent from that in the UK and an outsider would notice no difference⁴. Many UK practices and procedures have been adopted by SOJP and officers frequently attend training courses in the UK.
 - SOJP has had access to HOLMES 2 since the end of 2001, when a service level agreement was signed with Devon and Cornwall Constabulary for the purchase of equipment and services. In essence this involved SOJP purchasing the necessary software but the installation and management of the system is the responsibility of Devon and Cornwall, who also provide training in the use of the system for SOJP staff and have undertaken to provide MIR staff when necessary.
- Although initially Operation Rectangle was administered using a manual card index, in mid-December 2007, in the light of an influx of information into the MIR as a result of the investigation being made public, ex-DCO Harper took the decision to use HOLMES⁵. In January 2008 a team from Devon and Cornwall arrived in Jersey to begin the process of back-record conversion of existing records. The team also included an Office Manager to assist in the management of the MIR and he has since remained with the investigation throughout.
 - We understand that in light of some of the technical issues that arose during the course of Operation Rectangle and questions surrounding the ability of Devon and Cornwall to provide continued support on lengthy investigations, the arrangements for the provision of a HOLMES capability are being re-examined by SOJP and that plans are well advanced.
 - Despite the status of the ACPO policies and their importance to the success of major investigations, in this instance we have identified a failure to implement significant aspects of them in relation to the operation of the MIR and this had a serious and direct impact on the effectiveness of the investigation and on how personnel were used and on how money was spent. This includes the failure to appoint a Finance Manager.
 - We have set out our key observations, issues and recommendations regarding management of the investigation on the following pages.

⁴ We refer here to the structure and procedures of SOJP; we of course take note of the existence and role of the Honorary Police, who have no equivalent in the UK

⁵ For ease of reading, henceforth the term HOLMES will be used rather than HOLMES 2

Observation	Issue	Recommendation
<p>We note the reliance on arrangements with the Devon and Cornwall Police to provide HOLMES capability in this investigation. This principally arises as a result of SOJP requiring the use of HOLMES on a relatively infrequent basis.</p> <p>SOJP personnel lack depth of experience in using HOLMES; and this applied to some of those filling key roles in the MIR during the course of this investigation.</p>	<ul style="list-style-type: none"> ■ The Office Manager was seconded from Devon and Cornwall and had the requisite experience of HOLMES necessary to perform the role. ■ Other senior persons within the MIR who were SOJP personnel did not have a real depth of experience in operating HOLMES. This would have impacted upon their ability to perform their roles efficiently and effectively. ■ We have seen a number of examples of HOLMES conventions not being followed, with adverse cost implications arising. 	<ul style="list-style-type: none"> ■ Recommendation #6: in future major investigations consideration should be given to seconding an experienced UK based SIO to the investigation team, who has a working knowledge of HOLMES. This will assist in managing the investigation on an efficient and effective basis (see also Recommendation #7). ■ We acknowledge that the lack of HOLMES experience and lack of major investigation experience within SOJP is an ongoing issue. However, this is something that needs to be considered and planned for going forward to ensure that the maximum benefit of using HOLMES can be obtained in future major investigations, and we consider that the SIO should have up-to-date HOLMES experience. We understand that this issue is currently being reviewed by SOJP. ■ In this case, an experienced UK based SIO was appointed following the retirement of ex-SIO Harper.
<p>A Finance Manager was not appointed, notwithstanding the importance placed on this function in MIRSAP.</p>	<ul style="list-style-type: none"> ■ We have referred to the issues arising as a result of no Finance Manager having been appointed. 	<ul style="list-style-type: none"> ■ Refer to Recommendation #5.
<p>There was a failure to implement a number of ACPO policies relating to management of the MIR, impacting effectiveness and management of resources.</p> <p>Mr Harper has previously noted in a statement to Wiltshire Constabulary in April 2009 that, in his opinion, the ACPO standards of investigation do not normally apply to SOJP because SOJP is not a Home Office force.</p> <p>Mr Harper also appeared to dismiss the need for a review of this investigation at an early stage and a review was only carried out once the new SIO had been appointed.</p>	<ul style="list-style-type: none"> ■ It is not clear as to why ACPO standards may be considered not to apply in Jersey. ■ We understand that Mr Harper also noted to the ACPO HWG (who was mentoring him) on occasion that <i>'We do it the Jersey way here'</i>. ■ The ACPO manuals consider cost in their application, and therefore help to ensure efficiency and effectiveness of an investigation. ■ A report prepared following a review of the Operation Rectangle investigation (dated 18 December 2008) prepared by the MPS Specialist Crime Review Group comments on the decision not to seek a review early on, <i>"This was unfortunate since at that early stage it may well have provided a tighter focus for the abuse enquiry and an objective view of the potential search at HDLG."</i> We believe that this would have translated into, amongst other things, meaningful cost efficiencies. 	<ul style="list-style-type: none"> ■ Recommendation #7: we consider that the ACPO policies should be followed in all major investigations, and deviations from these policies should be by exception, and for defined reasons. ■ The application of ACPO policies should, amongst other things, assist in maximising the financial efficiency and effectiveness of an investigation. The application of these policies should include the use of independent reviews on a timely basis. ■ We consider that MIRSAP and Murder Investigation Manual guidelines were not robustly applied in all key regards in this investigation, and there is no evidence to suggest that an alternative <i>'Jersey way'</i> was more appropriate. The MIRSAP and Murder Investigation Manual guidelines have financial efficiency and effectiveness as key considerations. ■ We note that it is standard practice to carry out independent reviews of major crime investigations in order to ensure that national standards have been followed, that the investigation has been thorough and conducted with integrity and objectivity, that nothing has been overlooked and that good practice has been identified (ACPO Murder Investigation Manual 2006, page 84).

Police employees (continued)

Cordon overtime

- Cordon overtime costs totalled £574,591 in the period to 24 March 2009. We discuss the cordon requirements and staffing below.
- Crime scenes are extremely important sources of material for investigations but physical evidence to be found at them can be very fragile and can be easily destroyed or contaminated. It is therefore essential that they are secured and protected from disturbance. Entry should be granted only to authorised personnel who are properly equipped and dressed to reduce the risk of contamination and a written log should be maintained to record the identities and the entry and exit times of all those visiting. Only once the SIO is satisfied that the scene has been fully exploited can it be released and the security measures lifted.
- The usual method of securing and protecting crime scenes is to deploy one or more uniformed police officers to stand guard, maintain the log and where the scene covers a large area, as was the case at HDLG and later at Victoria Towers, to carry out roving patrols of the perimeter. Other measures such as CCTV can also be used in appropriate cases.
- HDLG was treated as a crime scene from 19 February until 9 July 2008 and Victoria Towers was treated as a crime scene from 7 July until 2 August 2008, and officers were deployed around the clock for most of these periods. The uniformed cordon at HDLG was put in place from the time of the discovery of the exhibit JAR/6 on 23 February 2008; however, prior to that date two plain clothes officers had been deployed on roving patrol whilst the semi-covert initial search operation was underway. In addition, between 9 July and around 18 July 2008, security continued to be provided by uniformed officers on an *ad hoc* basis at the request of the States of Jersey Property Management Department, the Director of which was concerned about the unsafe state of the building and grounds following the excavation work and the consequent risk of physical danger these presented after the police withdrew and handed the site over.
- In addition, covert CCTV was installed at HDLG and was utilised for the first three months of the search operation.
- The length of time that the locations were treated as crime scenes with search activity underway – more than five months – is extremely unusual; it is more usually the case that scenes can be released after a week or two, or even sooner. Even where crime scenes are required to be kept secure for longer than that, after the live search operation has ended, this can often be achieved without the need for a permanent police presence. Clearly, both HDLG and Victoria Towers were not typical crime scenes and for the purposes of our Review we did not question the length of the search operation. The question here was rather, given the very high cost involved, whether the resources used for the cordon were managed in the most efficient and effective manner.
- In considering these matters we chose not to ‘second guess’ the operational decisions taken at the time or to make any judgements concerning the numbers of officers staffing the cordon, but rather to regard these as having been appropriate. The numbers varied throughout the period according to what the level of threat was perceived to be and in any case, obtaining the relevant information would not have been straightforward⁶, although we understand that for most of the time it was three officers, including a supervisor.
- It should be noted that the SOJP deployment would have been much greater and much more expensive in monetary terms without the assistance of the Honorary Police. Officers from all the Parishes were deployed at HDLG from Saturday 23 February until

⁶ There are approximately 800 e-mails, a number of memoranda and numerous spreadsheets that deal solely with cordon requirements

Thursday 20 March, with 125 officers carrying out a total of 1,110 duty hours. Assistance was also provided at Victoria Towers over a thirteen day period during which thirty six officers carried out 150 duty hours. Without the presence of the Honorary Police the total cost of the cordon would have been an additional c.£56,200 (our estimate), on top of the amount of £574,591 as reported above.

- Almost from the very start of the cordon deployment in February 2008 until the conclusion of the search operations in August 2008, the cordon was staffed exclusively by officers working on their rest days, necessitating the consequent payment of overtime at a rate, for most of the period, of double time (total cost of overtime at double time rate was £522,241) and in the last five weeks of the operation, of time and a half (total cost of overtime at time and a half rate was £242,825) (analysis provided in Figure 4.2, page 19).
- The payment of police overtime is governed by the Police Force (Jersey) Law 1974 and the Police Force (General Provisions) (Jersey) Order 1974. These laws provide that rest day overtime is payable at different rates depending upon a number of factors; in essence, these are: the length of notice of cancellation of the rest day, whether or not the rest day cancelled is the first or second of two consecutive rostered rest days and whether or not the officer is on annual leave.
- All rest days cancelled with less than eight days notice and all second rest days cancelled with less than fourteen days notice attract payment at double time. Officers also have the option, should they choose, to be compensated not by monetary payment but by taking Time-Off-In-Lieu (TOIL) at the same rate as monetary payment. Furthermore, in certain circumstances, as well as monetary payment or TOIL, officers are entitled to an additional day off. When notice of a requirement to work on a rest day is given with more than fourteen days notice, the day is merely re-rostered and no payment is given.
- From the outset, a decision was taken that the cordon would be staffed entirely by volunteers and that their rest days would be cancelled, either with less than eight days notice or that second rest days would be cancelled with less than fourteen days notice, thus allowing for payment at double time. In addition, with the agreement of the officers concerned and in consultation with the Police Association, the provisions concerning TOIL and additional days off were suspended soon after the cordon was implemented. There were two shifts each day but the usual tour of duty for each officer was twelve and a half hours; the extra half hour was to allow sufficient time for travelling to and from HDLG.
- Initially, because it was not known how long the need to provide a cordon was going to last, planning was only for two or three days ahead, which meant that double time had to be paid. In any case, a decision was made that all officers were to earn double time to ensure that everyone was paid the same and to avoid 'bad-feeling'.
- When it became clear that the operation would run for a prolonged period, planning became a month ahead, which in normal circumstances would have meant that the only overtime payments due would have been at a rate of time and a half for the four and a half hours duty performed beyond the usual eight hour shift, and that rest days would have been re-rostered.
- The rationale for the decision was explained in an internal SOJP memorandum dated 28 July 2008. There was initially a wish to lessen the impact of the search operation on day-to-day policing and as time passed this became an even more important issue. It was realised that to apply the regulations and to give sufficient notice for rest days to be re-rostered or to allow TOIL would simply swap one problem for another, as officers would at some point wish and be entitled to take their re-rostered days or the TOIL owed to them and this would have a major impact on day-to-day policing, especially in the approaching summer months.

- In this memorandum, it was estimated that if re-rostered days had been allowed the force would, at the time the memorandum was issued, be facing a situation where staff would have been entitled to take almost 1,000 rest days.
- Another reason, set out in an internal SOJP e-mail dated 2 June 2008, was that in some circumstances officers can convert re-rostered days and TOIL into pay and there was a fear that this might occur after the conclusion of Operation Rectangle when the continued funding promised by the former Chief Minister and the Council of Ministers on 25 February 2008 was no longer available and that this would have a major and adverse financial impact on SOJP.
- It did not take very long before the existence of these arrangements became more widely known and questions began to be asked. On 19 March 2008 a reporter from the Jersey Evening Post e-mailed SOJP's press officer querying the amount that officers were to be paid on the forthcoming bank holiday weekend and asking from which budget the money was to come from.
- And the concern was not entirely from outside SOJP. We have noted various concerns being raised by senior officers about the overtime payments, as well as concerns about the provision of refreshments for the officers on the cordon. All staff working at HDLG, both those manning the cordon and those engaged in the search operation, were provided with packed meals from the police canteen. A practice also developed and continued throughout the operation that officers were also able to claim a meal allowance. We have reviewed this practice as part of this Review; we recommend that the arrangements for meal allowances be clarified in the future, however the financial cost was not material at circa £2,000 only and we have therefore not commented further within this Report.
- On the matter of the overtime payments, we understand that the SIO and Chief Officer ruled-out bringing these to an end because

of assurances given to the former Chief Minister that Operation Rectangle would not impact on day-to-day policing and the re-rostering of rest days would do just that. We have seen a number of exchanges of e-mails from the beginning of May 2008 in which the concerns of some senior officers are apparent. These email exchanges seem to have coincided with a series of postponements, towards the end of April and during the early part of May 2008 of the previously predicted conclusion of the operation at HDLG, as a consequence of which it was clear that the cordon would need to be deployed for a considerably longer period than had been thought.

- On 22 May 2008 the Home Affairs Finance and Administration Manager contacted SOJP to advise them that concerns were now being expressed in the States of Jersey about the costs of Operation Rectangle, including specifically the cost of the cordon.
- This appears to have culminated in an approach being made to the Police Association at the end of May and agreement being reached that payment to officers *volunteering* to perform cordon duty would be made at the rate of time and a half from the end of June, although TOIL would not be allowed. However, where officers were *instructed* to work because no volunteers could be found, then the ordinary regulations concerning the payment of overtime would apply.

Non-cordon overtime

- We discuss below the management of overtime in general.
- It is usually the case during the first few days of any major investigation that substantial amounts of overtime are incurred. This is because the crime being investigated has in most cases been committed only a short time before and there is almost invariably a crime scene that requires examination and forensic opportunities need to be maximised as quickly as possible. Offenders may still be nearby and not have had time to cover their

- tracks; locating them speedily can provide forensic opportunities that would otherwise be lost. Witnesses, even unwitting ones, will still have the facts fresh in their minds and so need to be traced as soon as possible. There are a multitude of tasks to be carried out and many people have to be drafted in to do them and there is pressure to work long and hard. The ACPO Murder Investigation Manual describes this as *'The Golden Hour Principle'*.
- Operation Rectangle did not have these characteristics. Whilst there was very substantial public interest in hearing about what had occurred, as reflected in the widespread media coverage, and the victims as well as the public demanded that the allegations be thoroughly investigated, there was in our view no need for the urgency that was characterised by such actions as the rush to bring in extra staff from the UK and the haste with which the media were informed of the discovery of JAR/6. The incidents leading to the allegations that had been made had taken place many years before and the identities of the alleged offenders were in the main known.
 - It is therefore somewhat surprising that from the time that JAR/6 was discovered on 23 February 2008 until September 2008 when the new SIO took over, a period of almost six months, everyone deployed on the investigation worked at least twelve hours a day and, in the initial stages, for six days a week.
 - On 26 February 2008 the SIO had documented his initial decision to operate these working methods in his Finance Policy File, where he wrote: *'Overtime should only be worked where operationally necessary and should be authorised by a detective sergeant and closely monitored by supervisors and the Deputy SIO. It is recognized that with the volume of work and actions overtime could be worked almost continuously. It is therefore restricted to twelve hours a day. Any rest day or public holiday leave working should be authorised by the Detective Inspector'*.
 - Whilst we understand that overtime might have been necessary in the period immediately after the discovery of JAR/6, when a large number of calls were being made to the MIR, we disagree that overtime could have been justified *'continuously'*. We have not been made aware of any operational reasons why such long hours should have been worked by so many people for such a sustained length of time and at a very significant cost.
 - There is evidence that the stipulation that all overtime should be operationally necessary, authorised and closely monitored was not adhered to. We have been told by one of the SOJP supervisors who was deployed to the investigation towards the end of May 2008, that his brief from the beginning of his deployment was to work twelve hour days, 7am to 7pm, and that all officers were working on that basis until September 2008. He noted that there was no real checking of overtime, at least in the earlier stages.
 - Given the impact on the personnel involved and the impact on the public purse, we would have expected a decision to sustain such working methods for so many months to have been the subject of a further reasoned entry in the Finance Policy File. No such entry was made and we have been unable to find any other document in which the issue was discussed.
 - We note that there are a number of welfare considerations in respect of overtime working that can also have an adverse impact on operational effectiveness and we quote a relevant passage from the ACPO Murder Investigation Manual concerning resilience: *'Homicide and major incident investigation may require SIOs to perform long periods of duty under intense pressure. This is particularly the case during the early stages of an investigation and at key points, such as suspect arrest and interview SIOs, and those responsible for managing them, should recognise that this intensity of pressure can have an adverse effect on their performance as well as on their general health and welfare. To minimise this, SIOs ... should ensure that they do not work excessive hours and that they take adequate rest days and leave. ...'*

[and] they should bear in mind that they should not overburden others who are also working under pressure' [Emphasis added].

- There is no doubt that the SIO was working long hours under intense pressure but we fear that he disregarded the advice above in respect of both himself and those whom he commanded.
- It is also necessary to recognise that some officers were working overtime both on Operation Rectangle and on other operations and that this increased the pressures on them. Whilst being not much larger than a small basic command unit in a UK force, SOJP's geographical isolation from the UK means that it has to be as self-sufficient as possible in relation to a number of specialist capabilities that in the UK would be provided at force or regional level. As a consequence, many officers 'wear more than one hat' and we have examples of some who were deployed full-time on Operation Rectangle also being used extensively in other investigations.
- The extent to which this sometimes happened is illustrated by the case of one detective. Between the end of 2007, when he was first deployed on the Rectangle investigation and the end of March 2009, he was paid a total of £41,848.75 in overtime alone, with

£7,735.93 of that relating to other operations. During March 2008, at the height of the operational activity following the discovery of JAR/6, he worked 116 hours of overtime, not all of which was Rectangle related.

- The officer referred to above was the 'highest earner' on Operation Rectangle but others were paid substantial five figure sums, which is a vivid illustration of the hours they were working, the potential harm to their health, the potential impact on their operational effectiveness and the cost to the public purse. We note that the Top 5 overtime earners accrued a total of £126,671 in overtime between them alone in the period to 24 March 2009, of which £118,935 related to Operation Rectangle.

Other Police employee costs

- Other Police employee costs comprise the salary and pension costs of the SIO, some agency staff costs and an allocation of social security costs relating to the Police overtime costs. We have no specific issues as regards these costs.
- We have set out our key observations, issues and recommendations regarding Police employee costs on the following page.

Observation	Issue	Recommendation
<p>The costs of staffing the cordon alone cost circa £575,000, all at overtime rate.</p> <p>Internal and external concerns were raised from mid-March 2008 about the costs of the cordon.</p> <p>Longer-term planning of cordon staffing requirements commenced in May 2008, and it was not until the end of May that the basis of payment of overtime changed, prior to that all overtime was at double time.</p> <p>We note that without the assistance of the Honorary Police, cordon costs would have been circa £56,000 higher.</p>	<ul style="list-style-type: none"> ■ All cordon officers worked at double time rate, and all overtime was paid to avoid TOIL accruing that would potentially impact policing service levels at a later date. ■ Alternatives to an SOJP-manned cordon do not appear to have been properly considered, i.e. the use of private security firms and/or the use of a perimeter fence. ■ Cordon officers appear to have been able to claim meal allowances on-top of being provided with catering during their shifts, although we don't believe that the total cost was material. ■ We consider that the former Chief Minister's statement may have provided a reason not to seek alternatives, although this is supposition. 	<ul style="list-style-type: none"> ■ Recommendation #8: detailed written policies relating to the management of overtime should be established at an early stage in a major investigation, and kept under ongoing review. Overtime worked and the costs thereof should be reported regularly, and should be subject to proper scrutiny. ■ These policies should include, <i>inter alia</i>, detailed consideration of what overtime is operationally necessary; how to minimise or reduce overtime worked after the 'golden hour'; the cost of overtime; the optimum staffing model; and welfare considerations arising, including management of those welfare issues. ■ The Finance Manager should report weekly on the amount of overtime worked, and the costs thereof, and should ensure ongoing compliance with the written overtime policy. ■ Wherever possible, the cost of specific activities, i.e. staffing the cordon, should be regularly reassessed and alternatives sought to reduce cost, for example the use of third party contractors or advanced planning to reduce the overtime rates applying.
<p>Considerable non-cordon overtime was incurred, totaling £217,000.</p> <p>We note that twelve hour days were worked as standard for a considerable period of time; we have questioned whether this was operationally necessary.</p> <p>Top 5 overtime earners earned £127,000 between them in the period to 24 March 2009; of which £42,000 was paid to the highest overtime earner.</p>	<ul style="list-style-type: none"> ■ We have noted the risk of welfare issues and fatigue arising from a requirement to work overtime on a prolonged basis, and the use of 'standard' 12-hour days – which impacts the effectiveness and efficiency of officers, amongst other things. 	<ul style="list-style-type: none"> ■ As above.
<p>The Finance Policy File does not provide sufficiently detailed policies relating to the management of overtime.</p>	<ul style="list-style-type: none"> ■ We have previously referred to the fact that the Finance Policy File made only brief reference to overtime working, and that the policy set out in it was insufficiently robust. 	<ul style="list-style-type: none"> ■ As above.

Civil service employees

- The total cost of civil service employees is £300,000 in the period to 24 March 2009. Included within this is £70,000 of overtime, and the majority of the remaining balance, £217,000, is salary costs for SOJP civil service staff and agency staff employed to work on this investigation.
- Our comments made elsewhere regarding the significant escalation in scale of the investigation following discovery of JAR/6 are relevant. Clearly the level of civil service staff cover, and thus cost (including overtime, pension and social security), was impacted directly by those decisions – which were outside of the scope of our Review.
- The Top 5 civil service overtime earners accrued a total of £55,446 in overtime between them alone in the period to 24 March 2009. We made further comments regarding the management of overtime earlier in this Section.

Police authorities and similar

- The total cost of mutual aid and agency staff is £1,586,734 in the period to 24 March 2009 (£1,842,587 in the period to 31 March 2009). This figure excludes the additional costs associated with on-Island accommodation and subsistence, which are included in 'meals, entertainment, travel and hotel' costs.
- Operation Rectangle commenced in September 2007 and was initially staffed entirely by a small team of officers from SOJP. Ex-DCO Harper took the role of Senior Investigating Officer but day-to-day management of the enquiry at that time was the responsibility of the D/SIO. The D/SIO managed a team of a detective sergeant, two detective constables and a civilian investigator, who was a retired SOJP detective with experience of investigating child abuse and with specific knowledge of the allegations relating to Haut de la Garenne.

- At this stage it was decided to administer the investigation using a manual card index rather than to utilise HOLMES. The rationale for this was recorded as being that there was no HOLMES capability within SOJP and that the predicted long-term nature of the enquiry meant that it would not be practicable to bring in HOLMES trained staff on mutual aid from UK forces. As we discuss elsewhere in this Report, it was not strictly accurate to describe SOJP as being entirely without HOLMES capability, although we understand why the decision was made, given the practical and resourcing issues involved and there being, at the time, no reason to believe that things were going to develop as they did.
- The existence of the enquiry was not made public and even within SOJP it was managed on a confidential basis. However, in November 2007 it came to the notice of the SIO that there was a planned BBC Panorama programme dealing with child abuse allegations in Jersey and it was felt that this no longer made discreet enquiries possible. It was therefore decided to make the existence of the investigation public and on 23 November 2007 a press conference was held and an appeal made for victims to contact the Police.

Conversion to HOLMES

- The press appeal received a great deal of coverage, both locally and throughout the UK. As a consequence there was a major influx of allegations and it soon became clear that the MIR did not have the capacity to continue managing the investigation effectively using the existing system. On 13 December 2007 the investigation was declared a 'critical incident' and classified as 'Category A+' and it was recorded that the need to utilise HOLMES was being considered. On 16 December 2007 the SIO recorded that he had taken the decision to utilise HOLMES and that Devon and Cornwall Constabulary were to be approached to assist in this respect.

- As a consequence of the reclassification, arrangements were made to second a detective constable from Strathclyde Police and to employ a further two civilian investigators, an intelligence analyst and a retired SOJP officer who was to take on the role of disclosure and exhibits officer. The services of the Strathclyde officer were procured by the SIO contacting that force directly, in which he had served prior to transferring to SOJP. The agreement with Strathclyde Police was that SOJP would pay the officer's salary plus travel and accommodation costs.
- The two investigators and the analyst were agency staff. In recent years in the UK, largely as a result of a shortage of skills, a system has developed of employing ex-police officers and other ex-police staff with the required skills and experience, to carry out tasks on a short to medium term contract basis within MIRs and in other specialist roles. Most of these individuals are recently retired and are often recruited through agencies with whom they have registered. This is usually cheaper than employing police officers full time.
- On 3 January 2008 a meeting was held with members of the Devon and Cornwall Major Crime Investigation Team to discuss the logistics of putting the enquiry onto HOLMES, back record conversion of the existing files and the staffing levels necessary to manage this. It was predicted that the process would take six weeks and would require the services of a detective sergeant to act as office manager / action allocator / document reader, a HOLMES indexer and four staff to input the documents onto the computer.
- Initially, the back record conversion was carried out at Devon and Cornwall Constabulary Headquarters but it very quickly became apparent that technical problems surrounding the link between the HOLMES equipment installed in Jersey and the Devon and Cornwall system and practical issues such as the need for the inputters to have access to original documents, dictated that the work would be carried out more efficiently and effectively in

Jersey at the SOJP Headquarters and so the staff relocated there in the second week of January.

- It was agreed that the terms of their secondment would be governed by the so-called 'Hertfordshire Agreement'. This is a system governing the financial arrangements for the provision of mutual aid between UK police forces and is set out in Home Office Circular 38 of 1989. In essence, this provides that the entire cost of the aid provided, including accommodation and transport costs, will be borne by the force requesting it but that, in addition, the officers seconded will be paid for a minimum of sixteen hours per day, whether or not they work sixteen hours. The rationale is that they are unable to return home at the end of each day's work and are therefore regarded effectively as being held in reserve or 'on standby'. We understand that the Devon and Cornwall staff agreed to work between twelve and fourteen hours per day.
- On 7 January 2008 it was decided to increase the strength of the enquiry team by five officers from SOJP.

Post-Discovery of JAR/6

- The discovery of JAR/6 on 23 February 2008 led to an immediate augmentation in spending and in resources allocated to all areas of the investigation. The widespread national and international media coverage generated a massive increase in the number of allegations and other calls made to the MIR, putting a considerable amount of pressure on those working there. As a consequence, some time around 27 or 28 February 2008, a decision was taken to enlarge the size of the enquiry team by twelve persons. This number was later expanded to include a further two HOLMES indexers.
- We are unable to say with more precision when the decision was made and how that figure was arrived at, as nothing was recorded in the Major Crime Policy File. What is clear from e-mails we have seen is that a debate initially took place concerning whether the extra staff should be police officers or civilian investigators

and that SOJP at first decided upon the latter but were advised by the Police National Information and Co-ordination Centre (PNICC)⁷ that police officers would be the better choice.

- Between 27 February and 29 February 2008 there was an intense exchange of e-mails and telephone calls between members of SOJP and PNICC concerning issues surrounding the deployment of UK officers. These included the expected length of deployment and especially, the financial arrangements.
- From the outset it was acknowledged that the usual practice in these circumstances was that the Hertfordshire Agreement would apply. However, other options were also discussed, including a cheaper arrangement that had been adopted by Suffolk Constabulary in early 2007 for officers seconded to assist in the investigation of the murders of several women in Ipswich. Another option was the possibility of drafting terms and conditions specifically for Operation Rectangle and it was this that was finally decided upon, although the details had not been finalised by the time that PNICC was authorised to implement the request for assistance on the afternoon of 29 February 2008.
- PNICC circulated the request to all UK forces at 15:01hrs on Friday 29 February 2008. By this stage the requirement had changed to ten detective constables and two HOLMES indexers. Forces were told that the staff were required to be in place by the following Monday morning, 3 March 2008 and that the initial deployment would be for a month. They were also told that SOJP would pay the cost of return flights every second weekend, that accommodation would be arranged and that salary, overtime and expenses would be met.
- It is a tribute to the effectiveness of PNICC's systems and to the goodwill of UK forces that eleven of the twelve staff required had been identified by 6.30pm on Friday 29 February.
- We are not aware of the need for such haste. Whilst we acknowledge the amount of work being generated within the MIR and the need to deal with it, we are surprised that at 3pm on a Friday afternoon a message went out to all UK forces asking them to provide twelve members of staff to be in Jersey by Monday morning. Operation Rectangle was an *historic* child abuse enquiry, even taking into account the discovery of JAR/6 and what that item was thought to represent at the time it was found. The investigation was quite different in character from the more typical major crime investigation where urgency is required in order to secure and preserve evidence. We consider that a calmer and more measured approach to resourcing was available.
- It appears that insufficient thought was given both to how much the new staff were going to cost and to what they were going to do when they arrived. An exchange of e-mails between PNICC and SOJP late on the afternoon of 29 February 2008 – after the PNICC circulation was sent out – debated overtime costs and on the morning of Saturday 1 March 2008 an internal email within SOJP advised that there was still insufficient office logistics arranged for the impending arrivals. As late as 8am on Monday 3 March an internal email advised that there had yet to be found sufficient space for all new arrivals to operate from.
- It has been acknowledged in our discussions that there was a lack of capacity to absorb so many people at such short notice and that some of the seconded officers were sitting around for most of the first week with insufficient work and no computers.
- Not only was the sudden influx of people unsatisfactory from the point of view of the individuals concerned and wasteful of their time but it actually impeded rather than assisted the work going on in the MIR. We were advised by one officer working in the MIR

⁷ This is an ACPO sponsored unit that has as one of its roles the co-ordination of the deployment of mutual aid

that at the beginning of March he had arrived at the office one day to be told that eight UK officers were waiting at the enquiry desk. This officer had to look after them, brief them and start to deal with the HR and administrative issues relating to these arrivals, such as getting them identification passes. This job should not have been the responsibility of that officer; we discuss elsewhere in this Review the benefit that would have ensued from employing a dedicated administration officer for the enquiry.

- On 5 March 2008 PNICC circulated all UK forces with a further request for a document reader and two intelligence officers and during the course of the next few months more staff were recruited to the investigation team – via PNICC, via direct contact with police forces and via agencies – to supplement the existing numbers on the investigation and to replace those who left, but also to ‘back-fill’ posts within SOJP that were vacant due to the post-holder being engaged on Operation Rectangle.

The ‘Jersey Terms and Conditions’

- By 4 March 2008 the terms and conditions for staff recruited through PNICC had been finalised and were being referred to as ‘The Jersey Terms and Conditions for Officers Seconded via PNICC’. In an e-mail sent to PNICC these were set out as follows:

‘The officers will continue to be paid his/her salary and claim any overtime worked in Jersey through his/her home force. This and any normal expense allowances claimed by the officer will then be claimed by the home force from the States of Jersey Police. Reasonable expenses include lunch, dinner and laundry. Receipts must be provided to home forces. Home forces are asked to consider granting an advance on expenses to assist officers whilst here. If claimed directly from the States of Jersey Police they may become subject to both Jersey and UK income tax.

There is no guaranteed minimum overtime payment. Days are 8 hours however at present officers are working 4 hours overtime each day.

The officer will be provided with hotel accommodation (B&B) and flights home every two weeks will be paid for.

The officer will work a two-week roster. The first week, he/she will work Monday to Saturday. Sunday will be RD⁸. Week two the officer will work Monday – Thursday. The officer will then have three RDs, Friday, Saturday and Sunday. Flights home will be paid for returning to Jersey on the Sunday night/Monday morning. If travelling on the Sunday, overtime will be paid for door to door travel time.

Flights home will be paid for every two weeks or if cost neutral, a partner will be flown out to Jersey to join for the weekend off. Hotel accommodation for that weekend will be met by the officer. Similarly, if the officer decides to stay in Jersey on their weekend off with no additional flight costs, the hotel B&B will be met if cost neutral.

Officers are expected to adopt the above shift pattern and suspend their normal RDs. Overtime will be paid at the usual rate for officers asked to work any RD on the Jersey shift pattern’.

- We have been asked to comment on these terms and conditions and in particular about the payment of overtime for travel on the Sunday rest day. We consider them to be reasonable in the circumstances and certainly far less costly than those set out in the Hertfordshire Agreement. In relation to the rest day overtime, we find this reasonable insofar as the individuals were concerned, given that a seconded officer would have spent little time at home with his/her family in the preceding fortnight and travelling on the rest day was a duty requirement, the SIO having stipulated that he

⁸ Definition of ‘Rest Day’

wanted the officers to be available to work from 8am each Monday morning. Efforts were made to reduce this cost by allowing partners to join the officer in Jersey, thus obviating the need to travel on a rest day and we understand that a number of the seconded staff and their partners took advantage of this from time to time. Whether or not the needs of the investigation required the staff to be present for duty at 8am on the Monday morning or whether it would have sufficed for them to have reported later in the day, having travelled on the Monday morning, is another matter.

The Proliferation of Terms and Conditions

- Whilst the PNICC conditions were reasonable, they were not the only terms and conditions that applied during the course of the investigation and this in turn resulted in some dissatisfaction and discontent. It will be recalled that the Devon and Cornwall staff were engaged under the terms of the Hertfordshire Agreement and it appears that some of the initial PNICC arrivals had thought that they would be working under the same conditions. We have been advised that some of those joining the investigation on 3 March 2008 had expectations that could not be fulfilled (for example, they expected to have been employed under the terms of the Hertfordshire Agreement and some were a little anxious that they were not going to be getting what they expected).
- The situation was aggravated a little in the second week of March when a Devon and Cornwall crime scene investigator was seconded under the Jersey Terms and Conditions but his force administration were concerned that the Hertfordshire Agreement should apply. This was resolved when the individual agreed to the Jersey terms. Added to this were the different terms and conditions applying to agency staff, usually negotiated with each different agency, although these broadly mirrored the Jersey Terms and Conditions. There was also staff recruited directly by departments to 'back-fill' who were on entirely different terms and conditions.
- We have been advised that officers and other agency staff were on different terms and conditions and this was causing friction, given that they were going out together in the evenings and talking about what terms they were each on. Attempts were made to consolidate everyone onto the Jersey Terms and Conditions.
- PNICC also made efforts to help in this regard. On 18 March 2008 they wrote to SOJP and suggested a meeting in Jersey in order to discuss a number of issues surrounding their role and the deployment of UK staff, including terms and conditions. Senior SOJP officers concerned in resourcing matters were invited to the meeting. A representative from Devon and Cornwall was also invited but was unable to attend. This resulted in an e-mail from the SIO instructing that in the future he be asked before anyone was invited to visit Jersey to discuss Operation Rectangle related issues. He also instructed that only Rectangle personnel should meet with PNICC and that other senior officers were not to do so. He himself declined to attend the meeting.
- Nevertheless, the meeting did result in agreement that UK officers working on Operation Rectangle should all be employed under the same terms and conditions and that the Jersey arrangements should be the ones to apply. Devon and Cornwall agreed that their staff, who were still working in Jersey after 4 April 2008, should revert to the Jersey Terms and Conditions from that date. This provided a positive cost benefit.
- However, this agreement did not apply to agency staff or to those officers not recruited through PNICC. It was only at the end of November 2008, with the arrival of the new SIO and the establishment of the Gold Group to oversee the investigation, that a single set of terms and conditions for all seconded officers and agency staff was approved.

Accommodation for Seconded Officers and Agency Staff

- The seconded officers and agency staff were provided with lodging in a variety of establishments around the Island. Initially this was in hotels but latterly long-stay serviced apartments were also used. Some questions have been raised about the cost of this and the, in some cases, high-class establishments that were chosen. It has been asked if alternatives were considered, especially when it became clear that some people would be deployed long-term.
- We have raised this matter with persons involved in sourcing hotel and other accommodation. We have been advised that residence laws on Jersey make the task somewhat difficult and that it was not possible to, for example, rent houses. A number of options were researched and preferred rates were obtained in a number of cases. As the numbers of staff increased so the ability to get all of the accommodation at preferred rates became more difficult, but nevertheless it appears that SOJP did manage to obtain reasonable rates.
- However, there was a number of different SOJP staff arranging accommodation, for example those officers involved with back-filling posts. It appears that not everyone managed to obtain the same advantageous rates and it would have been preferable for the job to have been carried out by one person.
- We have set out our key observations, issues and recommendations regarding police authority costs on the following page.

Observation	Issue	Recommendation
<p>The employment of seconded officers and agency staff has been an extremely expensive undertaking.</p> <p>Setting aside the question of whether the substance of the matters being investigated during Operation Rectangle justified such a large deployment of personnel, a major investigation is almost always 'people intensive' and therefore expensive.</p> <p>SOJP is a small force by UK standards and unable to maintain the resources, both in terms of numbers and of skills, needed for this kind of enquiry. Therefore the use of mutual aid from UK forces, supplemented by often less expensive agency staff, is the obvious way of filling the gap.</p>	<ul style="list-style-type: none"> ■ Use of HOLMES necessitated the secondment of appropriately trained UK officers to staff the MIR, and to upload the investigation onto the HOLMES system. ■ There was a significant and hasty increase in enquiry team size post discovery of JAR/6. ■ An initial request for 12 additional UK mutual aid officers (request made Friday 29 February to start on Monday 3 March) was not planned sufficiently well to maximise efficiency from the start of their secondment in Jersey (in terms of office logistics or role descriptions). ■ We believe that the resourcing gap might have been filled in a less expensive way, if there had been better co-ordination of the process, in particular in the aftermath of the discovery of JAR/6. More thought could have been given to exactly what was needed, when it was needed and how the new arrivals were going to be absorbed into the investigation. ■ We make reference to the significant travel, accommodation and subsistence costs also applicable to the UK seconded officers and agency staff. 	<ul style="list-style-type: none"> ■ Recommendation #9: the use of mutual aid officers is an expensive undertaking. Full planning of the need for and use of mutual aid resources should be undertaken prior to a request being made for mutual aid, to ensure the efficiency and effectiveness of any deployment. ■ In this instance, the rapid increase in the size of the enquiry team is directly linked to the discovery of JAR/6. We have previously noted that the decision to increase the enquiry team at that point, and prior to scientific confirmation of that find, should have been more robustly considered and documented. ■ We wonder whether the same haste would have been applied to the secondment of UK officers had the former Chief Minister not made the statement that all necessary resources would be made available, given the very significant cost implications arising, including the incidental costs of deployment of UK officers to Jersey. ■ We note the positive impact on the total investigation costs of the development of the Jersey Terms and Conditions for mutual aid officers, and we believe that this represents a positive outcome that can benefit future major investigations.
<p>The 'Jersey Terms and Conditions' were preferential to the Hertfordshire Agreement terms, which usually govern the rate of pay for mutual aid officers.</p>	<ul style="list-style-type: none"> ■ The adoption of the Jersey Terms and Conditions resulted in a significant cost saving as compared to 'standard' rates. 	<ul style="list-style-type: none"> ■ As above. ■ We note that a number of the recommendations within this Report are closely linked. For example, we have previously recommendation that SOJP should (in future major investigations) consider the secondment of a UK based SIO with recent experience of managing a HOLMES investigation. In this instance, we consider that this <u>may</u> have resulted in a different decision being taken, i.e. the decision to significantly and immediately increase the size of the investigation team using mutual aid officers from 3 March 2008.

5 Hired services costs

- Hired services costs comprised only 6% of total investigation costs in the period to 24 March 2009, as shown in Figure 5.1 opposite.
- HOLMES cost relates to the employment of private contractors from the UK to work within the MIR. The total cost in the period to 24 March 2009 was £131,000, after travel, accommodation and subsistence was taken into account.
- ACPO HWG made various visits to Jersey following the discovery of JAR/6 mentoring the SIO, Mr Harper.
- The NSPCC first became involved in the enquiry at the time that the existence of the investigation was made public in late November 2007. It had been anticipated that there would be a heavy response to the appeal for victims and witnesses to get in touch with the MIR but that some may be reluctant to speak to the Police. The NSPCC were therefore contacted and agreed to provide a helpline telephone number that would be answered by their staff. This resulted in a very positive response.
- Subsequently, this independent support to the investigation was developed further and a member of NSPCC staff was attached to the MIR in order to provide support to victims and witnesses.
- There is no doubt that the secondment of the NPPCC Officer was a necessary aspect to this investigation, and provided vital support to SOJP, victims and witnesses.
- This cost might have been incurred by other departments of the SoJ in different circumstances, however the single-agency nature of this investigation at the outset meant that the cost of NSPCC support, including the costs of secondment of the NSPCC Officer, were necessarily borne by SOJP.

Figure 5.1: Hired services cost analysis

	£
HOLMES	88,302
ACPO	18,630
NSPCC	50,567
Other hired services costs	131,066
	288,565

Hired services costs as a %age of total costs

6.0%

Source: Home Affairs and BDO analysis – costs for the period to 24 March 2009 only

- Other hired services costs include a range of items from various individual suppliers. There are a number of costs relating to the conversion of Broadcasting House to a MIR and in undertaking building works at HDLG, and a lesser extent Victoria Towers. There are costs that could alternatively be treated as forensic costs, including scientist costs for examination of finds and exhibits; geophysical survey costs; medical information / psychologist consultation; forensic data recovery; thermal imaging costs and other consultancy items.
- We have no significant observations, issues or recommendations as regards these hired service costs.

6 Forensic services costs

Forensic Canine Search Consultancy

- We have provided detailed comment regarding Mr Grime, because, as we will explain, he had (directly and indirectly) a significant influence on the conduct, and thus cost, of the investigation, far beyond simply the fees and costs incurred by himself, albeit we do have some concerns about the cost of Mr Grime’s services.
- The total invoiced cost of Mr Grime is £92,257.50, based on a day-rate charging structure. The day rate charged by Mr Grime was inclusive of subsistence, telephone charges, vehicle mileage, as well as dog vet bills and food. He was paid for a total of 139 days. A draft Agreement (unsigned) between Forensic Canine Search Consultancy, being Mr Grime’s company, and SOJP recorded a £750 daily rate as being applicable for the first five days deployment, reducing to £600 thereafter.
- Mr Grime stayed at the L’Horizon Hotel & Spa in St Brelade’s Bay for the entire duration of his deployment in the Island. The total cost of his accommodation during this period was £15,818.
- A corporate rate had been agreed, however on 16 June 2008 the L’Horizon Hotel & Spa sent an email to SOJP advising that Mr Grime wanted to move to a higher grade room at a higher rate. On the same day, SOJP confirmed that they would pay for the upgrade.
- Thus it appears that Mr Grime, for his own preference rather than through any necessity, upgraded his room and SOJP accepted this and authorised it prior to being advised of the additional cost (the additional cost of the upgrade for the remainder of his stay was approximately £1,613).

Figure 6.1: Forensic services cost analysis

	£
Mr Grime (Forensic Canine Search Consultancy	92,705
LGC	452,991
Other forensic costs	8,501
	554,197
<i>Forensic services costs as a %age of total costs</i>	11.0%

Source: Home Affairs and BDO analysis – costs for the period to 24 March 2009 only

- Also included within Mr Grime’s hotel cost is £952.50 in respect of 17 nights when Mr Grime was not staying at the hotel, but his room was being retained to allow him to leave his personal belongings behind.
- It is not at all clear why the L’Horizon Hotel & Spa was used by Mr Grime and for such an extended period of time, given (i) it being a premier 4* beach front hotel, and therefore relatively expensive compared to alternative hotels in the Island; and (ii) it being located a considerable distance from the HDLG site. In fact, the LGC team noted that their own stay at the L’Horizon Hotel & Spa added two hours onto each working day (in terms of additional travelling time) and that they had offered to be accommodated in a less expensive hotel or in bed and breakfast accommodation closer to the site. We believe that these comments are equally applicable to Mr Grime.
- Thus, the total direct cost of using Mr Grime in this operation was £108,075, being the total of his invoiced services plus the cost of his hotel accommodation.

Mr Grime's Status and the Status of his Dogs

- Mr Grime is a former dog handler who retired from South Yorkshire Police in July 2007. At the time of his retirement he was an ACPO accredited police dog instructor and specialised in the handling and training of dogs used for the recovery of human remains and for the detection of human blood. On retirement he set up a company called 'Forensic Canine Search Consultancy' and was listed as a 'subject matter expert' on the expert advisors' database at NPIA.
- The NPIA database contains details of experts and professionals who have the knowledge, skills and experience to assist investigators. The NPIA does not accredit or recommend the advisors listed on its database. Its sole function is to maintain the database and to provide investigators with the contact details of advisors. It is the responsibility of the investigator to ensure that the advisor has the necessary and relevant expertise to assist the investigation. Indeed, this is stated clearly in a handbook published by NPIA intended to be read by investigators and which is available both on the NPIA website and in hard copy⁹.
- Before discussing Mr Grime's role in the enquiry in detail, two other things may be worth stating here. First, that his registered specialist skills do not extend beyond the field of dog handling and second, that whilst advisors *"are a necessary part of some criminal investigations ... their involvement needs to be managed carefully"*¹⁰.
- It is not entirely clear exactly how Mr Grime came to be involved in Operation Rectangle. What is clear is that Mr Grime was the only specialist in this field who was approached and perhaps even considered by SOJP. LGC, in response to a request for advice on

this topic from SOJP in January 2008, did in fact suggest and pass on the contact details of the Surrey Police Dog Unit but this was not followed up and no other UK police force was approached. This seems slightly odd, especially given the stance of the ACPO Police Dog Working Group on this issue. In an e-mail to MK we were advised that, *"... UK forces have sufficient resources and expertise available to them, from within this country, in all fields of police-related specialist dog work. Senior Investigating Officers in the UK have only to request a specific resource and it can be provided from a force somewhere in the country. Those officers also have the reassurance that any team deployed to assist them will be ACPO trained and currently in-license."* We consider it safe to suggest that references to the UK here are intended to include the States of Jersey Police.

- Whilst all this may be thought merely a matter of detail, it is important in view of how much Mr Grime cost the enquiry in monetary terms - substantially more, it would appear, than had a UK force been asked to assist - and also in view of how he was deployed during the 139 days for which he was paid.
- The fact is that Mr Grime was not, at the time he was deployed in Jersey, an ACPO accredited police dog instructor, despite his claims to be so in statements and other documents submitted during his involvement in Operation Rectangle. Furthermore, the licence for his cadaver dog had expired some seven months prior to his arrival on the Island and the licence for his human blood detection dog expired in March 2008, whilst he was deployed in Jersey and using that dog. According to the ACPO Police Dog Working Group, *"Dog and handler teams that, for whatever reason, fail to remain in-licence [are] deemed "not competent" for operational duty until such time as they [have] successfully undergone a re-licensing process"*. Mr Grime has advised that his dogs are licensed by a suitably qualified person, although no further details have been provided to us.

⁹ 'Practice Advice on the Management of Expert Advisers' (Version 3) ACPO NPIA 2008, page 6

¹⁰ 'Practice Advice on the Management of Expert Advisers' *op cit*, page 4

- We are not qualified to comment with any authority on what effect, if any, Mr Grime’s lack of ACPO accreditation and the fact that his dogs’ licences had expired, made on operations at Haut de la Garenne, and this is outside the scope of this Review in any event. However, we understand that throughout his deployment he worked alone and in this respect we refer to Chapter 21 of the ACPO Police Dog Training and Care Manual. This chapter deals with searches for human remains and at paragraph 17.5 it states, inter alia, “...*consideration should be given to employing an experienced dog handler to act as observer to advise the handler on any such indications being given*”. We are not aware of any evidence indicating that Mr Grime benefited from the assistance of another experienced dog handler during his deployment at Haut de la Garenne, as recommended by the manual.

Mr Grime’s Contract

- A contract and terms of reference with Mr Grime were agreed verbally in the first instance, it seems with the approval of the SIO. Between 7 February 2008 and 12 February 2008 there was an exchange of e-mails in which some elements of the contract were discussed but nowhere is the rate of remuneration stated, although it is made clear that the deployment period was intended to be six days. It is generally agreed by those spoken to during this Review that the understanding was that Mr Grime was to be paid a fee of £750 per day during this period and that in addition, all accommodation, travel and subsistence costs were to be met by the States of Jersey Police.
- It was not until 25 March 2008, thirty seven days into his deployment, that a draft written contract was sent via e-mail by Mr Grime to FSM Coupland. This document (i) omitted the dates of agreed deployment; (ii) stated that remuneration for the first five days of the deployment would be £750 per day and £600 per day thereafter – although a subsequent clause stated that non-UK mainland daily rates would be negotiated separately; (iii) stated that the copyright of ‘all data and information provided’ would rest

with the ‘Chief Constable of Greater Manchester Police’ (sic); and (iv) was never signed either by Mr Grime or by a representative of the States of Jersey Police.

- It is worth stating at this point that the NPIA ‘Practice Advice on the Management of Expert Advisers’ already referred to, recommends in Section 3 (headed ‘Your Responsibilities’) that expert advisors are provided with terms of reference and a contract **before** work begins (our emphasis).
- Mr Grime advised MK that when he completed the initial agreed deployment period it was his intention to return to the UK but that the SIO asked him to stay in case he was needed. It seems that the SIO was concerned that if Mr Grime returned to the UK and he needed a dog at short notice the delay would be unacceptable, especially as Mr Grime reportedly had other commitments pending in the USA, Australasia and the UK at that time.
- Mr Grime confirmed that a lower rate of £650 per day was negotiated and that this sum was to include subsistence and that the only extra cost to the States of Jersey Police was to be for his accommodation. In a letter of 17 November 2008 to Mr Gradwell he states that the contract pricing was re-negotiated and discounted to £750 per day for the first seven days and £650 per day thereafter and that his deployment and contract was reviewed on a weekly basis by the SIO and approved by representatives of the States of Jersey government. It is not clear to us how an agreed deployment of either five or six days at £750 a day can become “*discounted to £750 per day for the first seven days*”.
- Mr Grime charged for every day he was on the Island, including those days on which he was not required to work. Initially, the operation at Haut de la Garenne was carried on seven days a week. However, after a period this was reduced to six days a week and all the personnel deployed there were given Sundays off. The LGC

staff did not charge for these Sunday rest days¹¹ and this became the object of some debate between them and Mr Grime. It seems that Mr Grime disagreed that he should not charge, as he was still required to tend to and exercise his dogs and as a consequence he charged for seventeen Sundays on which he was not required to work, at a cost to the States of £11,050.

- In the last few years MK has worked many times outside the UK, sometimes for extended periods, and it is his experience, no matter the employing organisation, extremely unusual to be paid for days on which one is not required to work, although accommodation and subsistence costs are invariably met. It is worth pointing out that Mr Grime would have had to tend to and exercise his dogs wherever he and they happened to find themselves, whether at home in the UK, in Jersey or elsewhere, working or not and it seems that this is an issue that should have been clarified with him prior to his deployment and most certainly prior to his initial deployment being extended.
- This lack of clarity as to how many days Mr Grime's deployment was to last and how much they were going to cost is unsatisfactory. The clear contradictions between the initial verbal agreement that was reinforced by e-mails in early February 2008, the 'renegotiated' verbal agreement on or about 24 February 2008 or later and the terms of the written contract sent by Mr Grime on 25 March 2008 were not picked up by anyone or, if they were, were not actioned. On the face of it, judging by the terms of the, admittedly unclear and potentially deficient, written contract sent by Mr Grime on 25 March 2008, Mr Grime was expecting to be paid £600 per day but submitted invoices for £650 per day and these were paid without question. It may be that this is what was agreed but nowhere was it written down.

Mr Grime's Duties

- Mr Grime was employed as a specialist dog handler and was paid for 139 days' work (including rest days). However, an analysis of his activities whilst in Jersey shows that his dogs were utilised on only thirty five days. On a further fifteen days he was deployed as assistant to a crime scene investigator from Bedfordshire Police who was working at Haut de la Garenne, for two days he was preparing plans and DVDs in connection with Haut de la Garenne and on a further three days he was employed recovering or delivering exhibits. Finally, on a further four days he was travelling to or from Jersey. This leaves a total of eighty one days unaccounted for and also raises a number of issues that are of concern.
- When the discussions took place concerning the extension of his stay on the Island, Mr Grime states that he raised the issue of what he would do when his dogs were not deployed and it is clear that he was anxious not to sit around doing nothing. We understand that he took it upon himself to pull together reports and the SIO also made use of him in a number of ways. Furthermore, during his time on the Island he himself also made at least two proposals to use his dogs and his skills to the benefit of the States of Jersey Police in matters unconnected to Operation Rectangle. In neither case was advantage taken of his offers. The question is whether the way in which Mr Grime was used on Operation Rectangle was appropriate in light of the high cost of his engagement.
- Mr Grime's specialist skills are in the area of dog handling. It may be that, as he pointed out in a letter to Mr Gradwell, his twenty-two years police service gave him a 'wide skill base' but this does not qualify him to be a police search advisor (POLSA) or a crime scene investigator (CSI); indeed, it appears that he may even have been appointed as deputy crime scene manager at one point¹². These roles demand the completion of lengthy training courses and

¹¹ Although they were of course paid subsistence and accommodation costs

¹² 'Operation Rectangle Forensic Review' NPIA August 2008, paragraph 20.2

- assessment and regular refresher training but he appears to have carried them out for extensive periods during his time in Jersey without the benefit of such training.
- Even leaving aside the major impact and consequences of the deployment of his dogs inside the building (because the indications from his dogs were a key factor in the decision to commence the major excavations), he appears to have had a significant degree of influence on operations at Haut de la Garenne in general. For example, prior to the commencement of the search operation at Victoria Towers in July 2008, we have been told that some SOJP senior management surveyed the area and agreed arrangements for the security cordon at the scene. However, we have been advised that this decision was over-turned by the SIO following an intervention by Mr Grime, who considered that there were not enough officers on the cordon.
 - We are not in a position to determine whether the CSI from Bedfordshire needed a full-time assistant for the fifteen days between 11 March 2008 and 25 March 2008 but, if she did, we consider that it would most probably have been better to deploy someone with the relevant training and qualifications and who did not charge £650 a day for his services. We emphasise here that our criticism is directed in the main not towards Mr Grime but towards those persons who thought it appropriate to retain the services of and to deploy such an expensive resource in this way.
 - These views appear to also be shared to a greater or lesser extent by those from NPIA who carried out the review of forensic issues on Operation Rectangle in August 2008. Referring to Mr Grime's role they state in paragraph 20.5 of their report, *"To use an untrained and unqualified person, whatever his abilities, in such a position and especially in an investigation as this can not be regarded as good practice"*.
 - In addition to these concerns, there remain the eighty one days which cannot be accounted for. We do not doubt that he was doing something on some of these days. Indeed, we are aware that on at least one occasion he briefed staff in the MIR on events at Haut de la Garenne and this is not recorded anywhere, and that he also used to brief personnel working at Haut de la Garenne, an activity similarly unrecorded. He also spent time producing reports and other documents. However, it must be said that many people associated with the enquiry formed the view that he was under-employed and the overwhelming evidence is that for too much of the time he was deployed in a way that does not justify the payment to him of £650 a day plus accommodation costs.
 - We have set out our key observations, issues and recommendations regarding Mr Grime's costs on the following pages.

Observation	Issue	Recommendation
<p>It was an expensive decision to employ Mr Grime and to deploy him in the ways described in this Report.</p> <p>It may have been wiser and cheaper to have sought to obtain appropriately trained dogs and handlers from UK police forces before exploring the possibility of employing a private contractor; it seems surprising that this was not done and, it would appear, was not considered at the time. The reasons why can only be a matter for speculation.</p> <p>Mr Grime appears to us to have had material influence on the nature of this investigation and particularly the nature of the forensic investigations and excavations undertaken at the HDLG site, with significant cost implications arising.</p>	<ul style="list-style-type: none"> ■ There would undoubtedly have been some cost associated with using UK police force handlers. It is difficult to say with precision how much this might have cost Operation Rectangle, as it would have depended on the UK police force involved, the anticipated length of deployment and the terms of the mutual aid agreement reached. ■ It is worth stating that SOJP have experience of receiving police dog support from UK forces in respect of Royal visits and other similar events. Three forces used recently are Devon and Cornwall Constabulary, Hampshire Constabulary and Greater Manchester Police. Devon and Cornwall have not made any charge; Hampshire charged only for officers' overtime and Greater Manchester Police charged only for their officers' time (i.e. basic salary and overtime). SOJP met all travel and accommodation costs in each case. 	<ul style="list-style-type: none"> ■ Recommendation #10: with regard to acquisition of specialist forensic or other services, UK police forces should be considered before private contractors wherever possible. ■ In this case this would have ensured that the dogs were appropriately licensed and that ACPO DWG guidelines were followed during the course of the investigation. ■ It would also likely have resulted in very meaningful cost savings, not least because these specialists would not have been retained to assist in other tasks that they may not have been properly qualified to do.
<p>As with any other private contractor and expert advisor, Mr Grime's precise status and qualifications and those of his dogs should have been verified prior to him being engaged.</p> <p>Mr Grime should have been deployed only on those duties for which he was qualified and when not needed to carry out those duties he should have been stood down.</p>	<ul style="list-style-type: none"> ■ Mr Grime was not ACPO 'accredited'. ■ The license for the cadaver dog expired prior to the start of the investigation. ■ The license for the human blood detection dog expired in March 2008, during its deployment in Jersey. ■ We have been advised that out-of-license dogs are deemed '<i>not competent</i>' for operational duty (per ACPO DWG). 	<ul style="list-style-type: none"> ■ Recommendation #11: where SOJP utilise the services of a private contractor, in this case a specialist dog handler, then that person's status and qualifications, and those of the dogs, should be verified.

Observation	Issue	Recommendation
<p>Tighter control should have been exercised over the contract with Mr Grime and a contract containing clear terms and conditions, including the cost of his services, should have been agreed with him prior to his deployment.</p>	<ul style="list-style-type: none"> ■ Contract and terms of reference were never finalised or signed. ■ Agreed terms were unclear in this case, and it would not have been possible to scrutinise invoices against a set of agreed terms. ■ A robust contract negotiation process would likely have required proper written confirmation of his dogs' licensing, as well as confirmation that rest days would not be charged at standard day rate, amongst other things. 	<ul style="list-style-type: none"> ■ Recommendation #12: a contract for services should be negotiated and signed with third party contractors prior to their deployment. ■ We consider that a Finance Manager would have assisted in this regard and also in terms of implementing Recommendations #13 and #14.
<p>The hotel accommodation provided to Mr Grime became a major cost item, and Mr Grime's request for an upgrade to a Superior Ocean View Room from 16 June 2008 appears, on the face of it, to be completely unjustifiable.</p> <p>This, together with the lack of apparent focus regarding the negotiation of his day rate and lack of containment of his total deployment and thus cost (including hotel cost), appears to demonstrate an absence of financial scrutiny and control in respect of the procurement of Mr Grime's services.</p>	<ul style="list-style-type: none"> ■ Mr Grime and his two dogs were deployed for a total of 139 days, however the dogs were utilised on 35 days only and, after accounting for other tasks, there are 81 days not properly accounted for at a cost of £53,000 (plus hotel costs). ■ Sunday 'rest days' were charged at a total cost of £11,050. ■ The use of L'Horizon Hotel is questionable for the extended duration of Mr Grime's stay given its distance from the HDLG site and its cost relative to other alternatives. ■ We do not consider that the upgrade to a Superior Ocean View Room could be justified in any circumstances. ■ Generally, we consider that the cost of Mr Grime's deployment was not properly managed, and in particular the fact that 81 days can not be properly accounted for is very concerning given the associated cost implications. 	<ul style="list-style-type: none"> ■ Recommendation #13: the role of third party contractors should be reassessed on an ongoing basis throughout a major investigation, and the total costs of those contractors monitored and reported. ■ This would, amongst other things, aid operational decision making and ensure the efficient and effective use of resources. ■ Recommendation #14: third party consultants should be requested to submit detailed timesheets on a weekly basis, and these timesheets should be reviewed by relevant management and reconciled to fee invoices received for those services. ■ This would assist in identifying any non-utilisation and enable real-time decisions to be made as regards the need for the continued retention of contractors. It would also provide an opportunity for management to identify tasks that are being inappropriately assigned. ■ Recommendation #15: accommodation choice should focus on appropriateness and value-for-money; with any [unnecessary] upgrades at the consultants own cost.

LGC

- We have provided detailed comment regarding LGC, because, as we will explain, they had a significant influence on the conduct, and thus cost, of the investigation, far beyond simply the fees and costs incurred by them. It was LGC who recovered JAR/6, and it was that find that triggered a huge element of the total costs of this investigation, which up until then had not been 'outside the norm'.
- The total invoiced cost of LGC was £452,991.28. All invoices were calculated based on hourly rates, this time being charged at £90, £130 or £150 per hour depending on the nature of the service, with 78.7% of all hours charged being at the £130 per hour rate.
- The LGC team stayed at the L'Horizon Hotel & Spa in St Brelade's Bay, Jersey, for the entire duration of their deployment in the Island, with the exception of a total of 9 nights spent at the Miramar Hotel due to L'Horizon being fully booked. The total cost of the LGC team's accommodation during their stay on the Island was £35,120.
- As is the case with Mr Grime, it is not at all clear why the L'Horizon Hotel & Spa was used by the LGC team and for such an extended period of time, given (i) it being a premier 4* beach front hotel, and therefore relatively expensive compared to alternative hotels in the Island and to other hotels being used to accommodate other Operation Rectangle team members; and (ii) it being located a considerable distance from the HDLG site. In fact, the LGC team noted that their stay at the L'Horizon Hotel & Spa added two hours onto each working day (in terms of additional travelling time) and that they had offered to be accommodated in a less expensive hotel or in bed and breakfast accommodation closer to the site.

Introductory Remarks

- This Section of our Report deals with the bulk of the forensic expenditure incurred in respect of the search operation at HDLG and Victoria Towers.
- As elsewhere in the Review, we have proceeded on the basis that the decision to embark upon the search operation was made for sound operational reasons and that our task has been simply to examine whether the resources, once committed, were used wisely.
- Firstly, however, we cannot escape from the conclusion expressed by the review team from the Metropolitan Police Service when they delivered their report in December 2008. They concluded that the rationale for the searches and excavations at HDLG and the Victoria Tower bunkers, at the time of being conducted, could not be justified by the available facts and that no further information had since been received that would alter that view.
- Based on our Review and as discussed further below, we consider that the manner in which some key decisions were made, hastily and without being properly considered, or if properly considered, without being properly documented, inevitably resulted in the commitment of financial resources and personnel in a far more unfocussed and, at times, wasteful fashion.

The Initial Search at HDLG

- The decision to mount a search operation in the grounds of HDLG was recorded as having been taken on 22 January 2008. Attention had begun to be focussed on the site more than a month previously. The FSM met with the SIO and D/SIO on 14 December 2007, at which time she was advised that information existed suggesting that human remains may be buried at HDLG and she was asked to look at options.

- LGC Forensics was approached; LGC is an international company who are the largest privately owned forensic science service provider in the UK. A scoping study was commissioned.
- During the next few weeks e-mails, letters, plans of the grounds of HDLG, aerial photographs and other documents were exchanged and proposals drafted for a search and possible excavation of parts of the grounds. Negotiations were also entered into concerning the duration and cost of the operation. A 'preliminary reconnaissance report' was submitted by LGC in the second week of January 2008. This set out, among other things, the numbers and specialism's of the scientists required to work on the operation and also made a series of suggestions for the forensic strategy.
- On 5 February 2008 a meeting took place at LGC's laboratory near Abingdon in Oxfordshire, attendees including ex-DCO Harper, FSM Coupland, LGC scientists, Mr Martin Grime and two representatives of the NPIA. The proposals for the search were discussed in more detail. It was estimated that the operation would last between four and six days and it was scheduled to commence on 19 February 2008.
- An informal quote of circa £14,000 representing the fee for their services during the operation had been sent by LGC via e-mail to SOJP on 9 January 2008 and on 11 February 2008 LGC sent a more formal written estimate of £12,277.50, which was approved.
- We are of the view that the way in which the arrangements had proceeded so far can hardly be faulted. There was a clear idea of the objectives, discussions had taken place about methods, the appropriate specialists had been engaged, the key players had met face-to-face, there had been negotiations concerning costs, the approximate duration of the exercise was known, dates had been set and everything was documented. However, it appears to us that things did not continue to be managed in the same exemplary fashion.

The Decision to Search inside HDLG

- During the discussions prior to the commencement of the operation, the question had arisen as to whether or not to extend the search of the grounds at HDLG into the building. It is clear that from the very beginning there had been no intention to do so nor had any plans been made to do so. Indeed, on 12 January 2008 the SIO recorded in his Policy File that that it was his intention to '*discontinue lines of enquiry relating to bones by the kitchen of HDLG under concrete*'. However, it seems that the matter arose again – quite properly – during the meeting in Abingdon on 5 February 2008 and that Mr Harper was against the idea, although the indications are that a number of other people were in favour. Nevertheless, we understand from an attendee at that meeting that it was made very clear that the searches were not going inside.
- It seems that Mr Harper must have decided to consider the matter further because on 11 February 2008 he wrote in an email to the FSM that he had decided that the interior of HDLG would not be searched and that he had '*audited*' that decision. He then explained his reasons. It is not clear what he meant by the term '*audited*', although if it means documented we have been unable to find anywhere other than the ensuing exchange of e-mails where the fact of his decision and his reasoning were recorded.
- There then followed an exchange of seven further e-mails between Mr Harper and the FSM, extending into the following day, in which the FSM, citing Mr Grime in support, sets out the benefits of sending Mr Grime's dog into the building. Mr Harper robustly defends his decision not to extend the search into the buildings at HDLG.
- A decision having already been taken to search the grounds, it could be said that there was also a case to be made for searching the building, although as the MPS review has concluded it was not a strong one. Mr Harper listened to the case for extending the search into the building and, having considered it carefully, he

rejected it firmly with (in our view) reasoned and sound argument as set-out in his emails to the FSM. It is therefore surprising that he subsequently and suddenly changed his mind.

- We are advised that on the second day of the screening search (i.e. 20 February 2009) there was information imparted about the discovery of some bones by builders several years before¹³. As a result a decision was quickly made to put Mr Grime's dogs into the building for an initial look. The MPS Review states that this was done at Mr Grime's recommendation.
- An LGC scientist records in a statement to the MIR that during the course of 20 February the EVRD¹⁴ had indicated in the approximate direction of the 2003 find. As a result of this, following discussion with the Forensic Management Team it was decided that GPR¹⁵ should be utilised over the area and, depending on the findings, the archaeological search and excavation should be extended into the building in the stairwell area.
- Unfortunately, there is no written record to support this unexpected decision to go into the building and the reasons for it. An entry in the SIO's policy file dated 19 February 2008 simply states the intention to make further enquiries regarding the interior of the building, and in particular to seek further advice from the person in charge of excavation in 2003 and his staff.

The Excavation of the Building at HDLG and Discovery of JAR/6

- Whatever the further enquiries revealed and/or the nature of the advice received from the builders, the SIO quickly decided that the ground below the stairwell where the animal bones had been discovered in 2003, and where Mr Grime's dog had indicated, should be excavated and the work began on 21 February 2008. The following day some more animal bones were found at the location, along with some leather items and a button.
- As has now been widely reported, on the morning of 23 February 2008 LGC were excavating the area when they uncovered a fragment of material measuring 6.3cm x 4.4cm that was believed at that time to be human bone. The LGC scientist described it as '*a fragment of juvenile rather than an adult cranium*' and it was referred to as JAR/6. A short time later Mr Grime's dog was presented with the item and gave a positive indication for human remains.
- Both the SIO and FSM were quickly informed of the find, albeit the find had not been verified at that juncture (we also refer to our previous observation that Mr Grime was also working without an observer / peer reviewer).
- The review of the forensic process carried out by staff from NPJA in August 2008 pointed out that it is accepted practice amongst forensic providers working within laboratories for significant findings to be checked or peer reviewed before informing the customer/police. The review team recommended that the need for peer review to take place in relation to findings at scenes should be reinforced and that prior to it taking place results given to the police should be qualified.
- The next significant decision was taken almost immediately by the SIO. He decided to release information concerning the find to the media and drafted a press release describing the item as '*the*

¹³ In 2003, during renovation work on the building at HDLG, builders had found some bones. These had been examined at the time by two pathologists and declared to be from animals. The fact was known at the time the February 2008 search operation was being planned. The information referred to is an oral statement made by one of the builders casting doubt on the pathologists' judgement

¹⁴ Enhanced Victim Recovery Dog, i.e. the cadaver dog

¹⁵ Ground Penetrating Radar

*partial remains of a child*¹⁶. Whilst of course, at the time this was believed to be literally true, it has been pointed out elsewhere that it was perhaps an unfortunate choice of language and to describe a piece of material measuring no more than 6.3cm x 4.4cm in such a way and without any qualification might be, in our opinion, regarded as somewhat exaggerated.

- JAR/6 was ultimately examined on 31 March 2008 by a scientist from the University of Oxford Radiocarbon Accelerator Unit and by a scientist from the British Museum and was found to be a piece of wood or coconut shell. On 9 April 2008 the LGC scientist informed FSM Coupland that she was no longer confident of her original finding. However, following the find and the media release there followed five months of intense activity at HDLG and at the nearby Victoria Tower bunkers. The activity cost almost half a million pounds in fees to LGC alone.
- We have described the sequence of events leading to the discovery of JAR/6 and the subsequent announcement to the media in such detail because they are so central to what ensued during the following months on Operation Rectangle and led to the spending of millions of pounds of public money. The recovery of the item led directly to further searches and major excavation work inside the building. We have no doubt that all concerned were acting in good faith but this appears to be a textbook example of the consequences of rushing into action when a more measured and considered review and planning of next steps would have been a preferred course of action.

The Lack of a Forensic Strategy

- A fundamental error leading to the use of significant financial resources appears to us to be the decision to commence activity inside the building without any planning or clear structure to the exercise¹⁷. The good practice that was apparent in the run-up to the initial search operation in the grounds of HDLG was absent from the moment that Mr Grime's dog was allowed into the building.
- The ACPO Murder Investigation Manual states, '*The construction of a forensic strategy is a key priority for the SIO*'. It goes on to discuss in great detail the formulation of a strategy, the management of it and the ensuing benefits. These range from the prioritisation of lines of enquiry, which affects the deployment of resources, to the prioritisation of potentially very expensive laboratory submissions. The listed benefits also include cost effectiveness but there is no evidence that cost effectiveness was ever considered once activity commenced inside the building. The MPS Review Team stated in their report that this was somewhat surprising and the actual financial exercise may have had the effect of creating time to consider the cost/benefit of the exercise. The NPIA review team also remarked that a clear strategy from the outset could have considerably reduced the amount of work required whilst achieving the same results.
- Both the MPS Review and the NPIA Forensic Review paint a clear picture of an operation lacking structure and focus and this image has been reinforced during the course of our Review by evidence we have seen and conversations we have had with some of the people involved¹⁸.

¹⁶ Press release distributed to all media outlets in Jersey and timed at 13:05hrs on 23 February 2008

¹⁷ A formal strategy was drawn up for the operation at Victoria Towers as a result of recommendations made by the ACPO HWG team

¹⁸ Although both reviews acknowledge, as we also acknowledge, the dedication of those involved in the work

The Search at Victoria Towers

- Whilst the work at HDLG was underway, information was received concerning the possibility of offences having taken place at the nearby Victoria Tower bunkers and a decision was taken to treat the location as another crime scene. Work commenced on 7 July 2008 and continued until 2 August 2008. We have already referred to the conclusion of the MPS Review that the search was not justified based on the available facts.
- In the report submitted to Mr Gradwell on 3 July 2009, the FSM discusses the operation at Victoria Towers and states that, based on a written summary of intelligence received by the D/SIO and at her request, a forensic strategy was produced for the work proposed at Victoria Towers. The FSM acknowledges that it was at that time anticipated that there would be little in the way of forensic evidence, but it was felt that any corroborating evidence would be useful to the investigation.
- If it was anticipated that nothing useful would be discovered we find it difficult to understand why such a lengthy and expensive exercise would be undertaken. As was noted by the MPS Review, given the nature of the allegations and the length of time since the alleged incidents occurred, excavation was unlikely to provide any corroborative evidence.

Daily rate versus Hourly Rate

- When the initial search operation was being discussed, hourly fees of between £90.00 and £130.00 were agreed, depending upon the member of LGC staff concerned and the activity undertaken. We consider that this was an acceptable way of working when the operation was expected to last only six days. However, given the cost of this over a longer term it would not have been unreasonable to have attempted to renegotiate terms.
- One of the LGC scientists has stated to us that she mentioned the possibility of going onto a daily rate more than once and did this not for the benefit of LGC but for SOJP. The answer she got was that the length of the LGC deployment was unknown. We are advised by LGC that there was no suggestion that being on a daily rate would mean that they would be there longer. We are advised that the LGC scientist never actually quoted a daily rate to SOJP but that she would have had in mind between £500 and £750 per day, subject to approval from those responsible in LGC for finance matters. During much of the enquiry the LGC personnel deployed at HDLG worked twelve hours per day, and thus we consider that a daily rate would have represented a considerable saving.
- It appears that the SIO may in fact have been under the impression that the scientists were already on a daily rate because in his Finance Policy File on 26 February 2008 he recorded that *'Specialists such as anthropologists are retained on a daily rate'*.
- We would in any case have expected the SIO or FSM to have taken the initiative in raising this matter with the forensic services provider. Of course, failing that, a Finance Manager working in the MIR ought to have been able to raise the matter but as we have already discussed, no such person was appointed until late in the investigation.

Invoicing

- Another area of concern for us is the apparent total lack of scrutiny of invoices submitted by LGC prior to September 2008; and we consider that this lack of scrutiny extended to the processing of supplier invoices generally.
 - On 26 February 2008 the SIO made the following entry in his Finance Policy File: *'In the light of the extension of staffing, developments in enquiry and likely future demands, ALL expenditure incurred forthwith to be done so in accordance with attached document'*.
 - The document referred to goes into some detail concerning levels of authority for expenditure. In essence, it states that any expenditure above £1,000 must be authorised by Mr Harper personally; expenditure below that amount will be authorised by the D/SIO. However, in respect of forensic services it states: *'Forensic services ... will be an indispensable part of the enquiry. They are however expensive and full strategic consideration will be given before any item is submitted for examination. Any expenditure up to £3,000 will be authorised by the Forensic Services Manager. Above that the SIO will be consulted and the decision taken jointly'*.
 - We have discussed this issue with the FSM who has told us that when invoices from LGC arrived she did not really scrutinise them as she had no basis to do so, and that they were forwarded to the MIR.
 - We have seen an e-mail dated 10 April 2008 addressed to the SIO. In this email a DS working in the MIR asks the SIO if the forensic bill from LGC could be approved, and Mr Harper confirmed this the same day.
- It is difficult to know who would be able to properly scrutinise invoices from a forensic services provider if not the FSM, who was also the crime scene manager for the investigation in question, although we acknowledge the difficult circumstances that the FSM was working under. What is even more striking here however is the manifest failure on the part of the SIO to apply his own policy, which resulted in the payment of invoices amounting to many thousands of pounds without any apparent scrutiny of them at all.
 - The FSM has told us that she was unhappy with the format of the invoices she received from LGC, especially their lack of detail concerning the nature of the service provided. We have seen evidence that by the end of August 2008 she was beginning to ask for more detail to provide an audit trail. LGC subsequently issued more detailed breakdowns of charges and a dialogue began in which the FSM queried the cost of a number of items. This led on 24 October 2008 to a revised estimate of work being sent to her by LGC, which appears to have resulted in a reduction in charges relating to statement writing. This is good practice although we consider that it should have been adopted much earlier.
 - We have set out our key observations, issues and recommendations regarding LGC's costs (forensic costs) on the following pages.

Observation	Issue	Recommendation
<p>The initial search at HDLG was well planned with due regard for the costs of the exercise.</p> <p>However the decision to enter the building on 19 February 2008 was a complete divergence from the original decision of the SIO who, only one week earlier on 12 February 2008, had confirmed in emails that the search would not be extended into the buildings at HDLG.</p> <p>There was no clear rationale for extending the detailed forensic investigation to Victoria Tower, which had a further cost implication.</p>	<ul style="list-style-type: none"> ■ The MPS review report of December 2008 also concludes that the searches were not properly justified at the time by the available facts and that no further information had since been received that would alter that view. ■ The original limited review of the grounds at HDLG had been well planned and properly costed, once inside the building the forensic strand of the investigation appears to have proceeded relatively unchecked, resulting in a total spend on LGC services alone of circa £500,000. ■ The significant undocumented decision to enter the building resulted in a 5-month internal excavation process at a cost, directly and indirectly, of millions of pounds to the Jersey tax payer. 	<ul style="list-style-type: none"> ■ Recommendation #16: a fully documented forensic strategy should be produced prior to major forensic expenditure being incurred. ■ The MPS review notes that a clear forensic strategy would also include consideration of cost effectiveness, and the cost/benefit of the exercise being undertaken. ■ In this instance, the lack of a fully documented forensic strategy has caused an inefficient and ineffective use of resources.
<p>A contract was not in place with LGC, and the only quotes from LGC covered the initial external search of the grounds at HDLG, which were estimated to cost £12,278.</p> <p>Invoices received from LGC were not subject to detailed scrutiny prior to September 2008.</p>	<ul style="list-style-type: none"> ■ The total cost of LGC was circa £500,000, albeit the initial external search was to cost in the region of £12,000 only. ■ A lack of negotiation of a day-rate (even when this had been offered by LGC), lack of demonstrable scrutiny of invoices or even consideration of alternative suppliers leads us to conclude that this material element of the total investigation spend lacked proper control from a value-for-money perspective. ■ See also comments relevant to Recommendation #12. 	<ul style="list-style-type: none"> ■ See Recommendation #12. ■ The negotiation of a day-rate and proper scrutiny of invoices would have been covered by a Finance Manager, and we refer to Recommendation #5 in this regard.

Observation	Issue	Recommendation
<p>The hotel accommodation provided to LGC became a major cost item, at a total cost of circa £35,000, and we have questioned its appropriateness in the circumstances.</p>	<ul style="list-style-type: none">■ The use of L'Horizon Hotel is questionable for the extended duration of LGC's stay given its distance from the HDLG site and its cost relative to other alternatives.■ LGC noted that the choice of hotel resulted in around 2 hours per day of travelling time, and they had offered to stay in cheaper accommodation closer to the HDLG site.	<ul style="list-style-type: none">■ See Recommendation #15.

7 Other costs

Sundry items

- **Computer / equipment purchase:** we understand that following the decision to extend this investigation to HDLG it quickly became apparent that the existing SOJP computer equipment could not cope. The existing computers were old and not compatible with the Devon and Cornwall or National computer systems. This in turn necessitated the purchase of new computer equipment, with the linkage of that equipment to Devon and Cornwall via a web interface.
- Other equipment included costs of equipping the MIR and other sundry items, for example wheelie bins for use at the HDLG site.
- Clearly, much of the purchased equipment is of a ‘capital’ nature and will have an ongoing benefit to SOJP. From an accounting perspective, it would be possible to justify that the physical equipment purchases (IT and furniture items in particular) should be capitalised as fixed assets and depreciated over an appropriate period, rather than simply expensed to the Operation Rectangle business unit. However, we understand that the capitalisation policy in place in SoJ specifies that individual items with a cost of less than £10,000 are expensed as incurred rather than capitalised.
- The current accounting treatment would imply that this purchased equipment will have no ongoing benefit to SOJP (because it has been expensed rather than capitalised). However, we understand that this equipment will be redeployed within SOJP following the closure of this investigation and will therefore provide an ongoing benefit to the Force.
- **Materials:** comprise various consumables.

Figure 7.1: Other cost overview (all costs to 24 March 2009)

	£
Sundry items:	
- Computer / equipment purchase	119,986
- Materials	23,167
- Other administrative costs	32,672
- Electricity and rents	38,099
- Sundry other costs	46,147
Meals, entertainment, travel and hotels	1,230,483
Total costs	1,490,554
<i>Other costs as a %age of total costs</i>	<i>29.0%</i>

Source: Home Affairs and BDO analysis – costs for the period to 24 March 2009 only

- **Other administrative costs:** none of these costs are material on an individual basis e.g. stores recharge (£6k), training courses (£6k), subsistence allowances (£5k) and cash advances (£4k).
- **Electricity and rents:** comprises the rent of Broadcasting House for use as the MIR, and the accommodation cost for Mr Gradwell.
- **Sundry other costs:** not separately analysed.

Meals, entertainment, travel and hotels

- We note that SOJP have a detailed travel and expenses policy dated 1 August 2007, which clearly confirms the rationale for its issuance being, “... to ensure that the States of Jersey Police ensures that all travel undertaken is done in the cheapest possible way and that all subsequent claims for expenses or the use of a purchase card are ethically sound and used appropriately and giving value for money.”
- The Policy provides detailed guidance in respect of *inter alia*, travel expenses and subsistence expenses.

Meals and Entertainment

- There is considerable meals and entertainment spend, totalling £46,509, charged to the Operation Rectangle business unit. This is clearly a considerable figure for a single investigation; we have directed our focus during this Review toward the discretionary spend aspects in particular, rather than the more standard costs associated with feeding the Operation Rectangle team on-site at HDLG or in the Police canteen (these standard items totalling circa £30,000).
- Given the number of individual transactions that make-up the meal and entertaining cost, our testing was performed on a sample basis with a focus on individual meal spend greater than £50.
- We have identified that a considerable element of the meals and entertainment expenditure relates to trips outside of the Island by the SIO and other officers, and in particular trips by the SIO and others to London. These trips to London are discussed further below. In addition, much of the meal and entertainment spend was incurred on purchase cards, and therefore our Review has looked specifically at the use of purchase cards.

Figure 7.2: Meals, entertainment, travel and hotel costs

	£
Meals and entertainment	46,509
Travel	302,498
Hotel accommodation	881,476
	1,230,483

Source: Home Affairs and BDO analysis – costs for the period to 24 March 2009 only

Trips to London by ex-DCO Harper and Others

- Between January and August 2008 it appears that the SIO made six trips to London in order to attend meetings at New Scotland Yard¹⁹. During all of these trips he was accompanied by between one and four colleagues from SOJP.
- The six trips combined took a total of eighteen days and forty-one days of the time of the other staff concerned²⁰. All of them involved at least one overnight stay in London and sometimes two or even three nights. We have calculated that these trips cost a total of £13,281; this figure does not take account of the salaries of the personnel concerned.
- We are not convinced that the trips were all necessary or, if some of them were necessary, that they needed to have involved all of the attendees or the use of overnight stays. Ostensibly, the reason for them was to consult with and take advice concerning the security and integrity of the Operation Rectangle investigation from the Covert Policy Standards Unit at New Scotland Yard.

¹⁹ One of the trips, that taking place on 3- 7 February 2008, was combined with a trip to the LGC laboratory near Abingdon, in order to discuss the proposals for the search of the grounds of HDLG

²⁰ Although on two of the trips certain of the SOJP staff also had other, non-Rectangle related business to carry out

However, it appears to us, based on our enquiries that very little business of any substance was conducted during the meetings and that none of the meetings lasted more than two hours.

The Operational Risk Assessment

- The SOJP Information Security and Compliance Manager was approached by the SIO in December 2007 and asked to carry out an initial assessment of the security risks to the investigation. This is standard practice in sensitive investigations such as Operation Rectangle and good practice. He had completed this task by the middle of December and had produced a written assessment.
- It appears that at this stage it was decided that a Detective Sergeant would be appointed as the security officer for the investigation, with the responsibility for updating the assessment periodically. Once again, this is good practice. Unfortunately, nobody appears to have informed the Detective Sergeant about this and he was not properly aware of his role until after the retirement of SIO Harper.
- In January 2008 the SOJP Information Security and Compliance Manager was asked to accompany Mr Harper to a meeting at New Scotland Yard in order to discuss the risk assessment. We have been told that Mr Harper had felt it useful to take this individual to the meeting to obtain an independent and objective viewpoint.
- The meeting took place on 11 January 2008. Two participants attended from the Metropolitan Police. Minutes of the meeting were taken and these were later submitted to the MIR. During the meeting it was proposed to have regular monthly updates and Mr Harper suggested that the location alternate between New Scotland Yard and Jersey. However, MPS pointed out that if they travelled to Jersey it was likely that they would have to charge for the service, whereas if the meetings took place in London there would be no charge.

- So far we take no great issue with what had occurred, although we consider that the case for making the trip to London would have been more understandable if the Detective Sergeant appointed as the security officer had also been asked to attend.

Monthly Update Meetings

- Five further meetings took place – in February, March, May, July and August. We have been unable to find documented justification for them. Our evidence strongly suggests that for the most part their main purpose was entertainment or the conduct of business unconnected with Operation Rectangle or, indeed, unconnected with matters appertaining to the SOJP.
- Three members of staff accompanied Mr Harper to most of the meetings. The meetings have been described to us as lasting *'between half an hour and forty minutes maximum'*, *'an hour, maybe two'* and *'1-2 hours'*.
- The attendees at these meetings have indicated to us that there was little of any substance discussed at them; some have indicated that they did not really have a role at the meetings; have all suggested that the trips could have been completed in a day, without the need to stay overnight; or conducted by means of video conferencing.
- One attendee recalls one of the trips where he was advised by the SIO that they would fly to the UK on the Sunday morning. He could not understand this, as the meeting was not scheduled to take place until the Monday lunchtime and he thought that at the very least a Sunday evening flight would have been more justifiable. The fact that he had to leave so early upset his wife.
- That there was little of any substance resulting from the meetings is perhaps partly evidenced by the fact that, apart from the very first meeting, no minutes were ever taken.

Travel and Expenditure on Entertainment

- There is clear evidence of a level of expenditure on travel and entertainment during these trips that was in excess of the maximum amounts advised in the SOJP Travel and Expenses Policy and clear evidence of other failures to comply with the Policy.
- The journey from Gatwick to central London was invariably made by means of the Gatwick Express and on a number of occasions first class tickets were purchased at a premium of almost £20 per person per return trip. This is contrary to the Travel and Expenses Policy which states that, *‘Second class rail travel should be taken in all cases; however, a member of staff will be required to pay the extra cost of upgrading their ticket should he/she personally wish to do so. First class travel may be used within the terms of paragraph 2.5’*. Paragraph 2.5 states, *inter alia*, that a superintendent or above may authorise first class travel where a member of staff is expected to work on sensitive documents or where there are other operational or security reasons to do so. We are not aware of any operational or security reasons necessitating these journeys to have been made in first class, nor do we consider that the thirty minute journey time from the airport to central London would enable any meaningful work to be carried out on sensitive documents. We have seen and heard no evidence that any work was carried out on sensitive documents during these journeys. We have seen no evidence that the difference in the amounts between first and standard class travel was ever reimbursed by any of the travellers.
- As we have previously identified, the SOJP Travel and Expenses Policy suggests a maximum amount of £25.22 per head for dinner and also advises a prudent approach regarding expenses.
- The SOJP Travel and Expenses Policy also states, in relation to the reimbursement of the cost of meals, that: *‘The cost of alcohol*

cannot normally be claimed. However, it is recognised that there are circumstances where visitors are being entertained at a business dinner and it would be appropriate to provide wine or an aperitif with the meal. It will not normally be sufficient to solely provide a copy of a credit/purchase card slip for meals. The actual restaurant receipt will normally be required. Any additional persons, other than the claimant, who attended the meal should always be recorded unless the recording of details of such persons would be likely to have an impact on their security’.

- The preferred restaurants used by the participants on these trips were ‘The Bombay Brasserie’, one of London’s top Indian restaurants situated near to the Marriot Hotel in South Kensington where they often stayed, and ‘Shepherds Restaurant’ in Marsham Street, which we understand is or has been owned by the actor Sir Michael Caine and which is frequented by many politicians and celebrities.
- On 3 February 2008, the SIO and three members of staff ate dinner at the Bombay Brasserie. The cost of the meal was £212.90 and this was divided into two and paid by the SIO and another officer using their purchase cards - each paid £106.45. Both men later submitted credit card receipts but, contrary to the Travel and Expenses Policy, did not submit the restaurant receipt. Both men recorded that UK officers were also present, although contrary to what is stated in the Policy, their identities are not recorded.
- On the next evening, 4 February 2008, the SIO and the same three members of staff ate dinner at Shepherds. The cost was £418.50 and was again paid for by the SIO and another officer, split £279 and £139.50 respectively. As before, no restaurant receipts were submitted and both officers record that UK officers were present but not their identities.
- On the next evening, 5 February 2008, the SIO and the three members of staff dined once again at Shepherds. The cost was

- £449.72, divided once again between the same two purchase cards, £300 and £149.72 respectively. Once again both men recorded the presence but not the identities of UK officers and neither submitted the restaurant receipt.
- We are not aware of any reason why, if the meals of 3, 4 and 5 February 2008 were truly in the nature of business dinners and were in fact attended by UK officers being entertained by the SIO, their security needed to be protected by anonymity. We also question the nature of the business that required the entertainment of UK officers three nights in a row at a cost to the public purse of almost £1,100.
 - One of the officers attending refers to the presence of UK officers only on the occasion of the first meal at Shepherds on 4 February 2009.
 - Similar meals were paid for and recorded in identical fashion by the SIO and others on each of the next four trips to London. We do not discuss them all in detail here but, for illustrative purposes, have totalled the expenditure incurred at Shepherd's Restaurant on these trips, totalling £2,840, and the total expenditure in the Bombay Brasserie, totalling £705.
 - We feel it worthy to set out some pertinent details concerning a trip that took place between 30 April and 2 May 2008.
 - This trip was made by the SIO along with four other SOJP officers. On the first evening dinner was taken at the Bombay Brasserie. The bill at the end of the meal was £300 and this was divided into four equal shares of £75 each and was paid across four individual purchase cards. It was agreed between the participants that everyone would make a contribution of £35 towards the cost of alcohol consumed during the meal, which strongly suggests that no UK officers were present and that this was not a business dinner. Records show that only two officers later made contributions.
 - The following evening the participants ate at Shepherds. On this occasion there is no dispute that UK officers attended. The fact is recorded in statements submitted to the MIR, in conversations the participants have had with us and on the relevant purchase card records. The bill amounted to £699 and was split three ways in the usual manner between three purchase cards, £233 each. As usual, no restaurant receipt was submitted.
 - Given that this meal took place on the same day as the meeting at New Scotland Yard, it could perhaps be regarded as a legitimate business dinner within the terms of the Travel and Expenses Policy. However, the SIO had also invited a News of the World reporter as his guest. Her presence clearly made at least some of the participants feel uncomfortable based on discussions that we have had with the participants and other documents reviewed. We do not see how this occasion could possibly be regarded as a business dinner within the terms of the Policy.
 - In any event, with eight participants at dinner, including the reporter, the per-head cost of this meal was £87.38, far in excess of the guideline as set out in the Travel and Expenses Policy.
 - We have questioned those concerned about the practice of splitting the cost of these meals between different participants' purchase cards. Based on these discussions, we believe that this practice was undertaken in order to disguise the total quantum of individual meal costs. It is clear that a number of the participants at the meals were uncomfortable with this practice.
 - The picture that the participants in these trips have painted is one of very little official business being carried out and of the SIO carrying out personal business and/or meeting with representatives of the media. One attendee even recalls going on a shopping trip with the SIO after the May meeting.

- It is clear that some of those who were required to travel to London for these meetings were uncomfortable with having to do so. Just how uncomfortable some of the participants felt can be best illustrated by an incident related to us. During one of the trips to London, the SIO having gone off somewhere, three officers also attending discussed the situation and remarked that at some time in the future questions were bound to be asked about the justification for the trips. So one of them took a paper napkin from the restaurant and wrote down on it what official business each of them was doing there in addition to having to attend the meetings at New Scotland Yard. That officer still has that napkin and has produced it to us.
- We are concerned by apparent inaccuracies in records concerning these trips, by contradictions in the various accounts of and records submitted by the participants, by the systematic failure to abide by the terms of the Travel and Expenses Policy and by the high level of spending that took place.

Entertaining costs generally

- Whilst it is strictly outside our terms of reference, we have felt it appropriate to examine briefly the overall level of spending on meals and entertainment.
- We analysed information taken from the SIO's purchase card, as well as from the purchase card of his full time driver / staff officer during Operation Rectangle, incurred from the beginning of January 2008 to the date of the SIO's retirement at the beginning of August 2008. It shows forty-five transactions at restaurants, often high class establishments, in both Jersey and the UK, where expenditure was in excess of £50. Some of the transactions have already been discussed above. We have included the expenditure incurred by the SIO's driver / staff officer because of the fact that he was often in the SIO's company and, we discovered during the

course of this Review, frequently paid the bills for entertainment hosted by the SIO.

- The total combined meal expenditure on these purchase cards is £7,802 in the eight-month period (the total cost of these meals was £8,981, given that in some cases meals were paid across a number of purchase cards in addition to those of these two individuals), of which £6,462 (total £6,832) was charged to the Operation Rectangle business unit.
- There is total meal expenditure of £4,860 on the SIO's card alone in that eight-month period. By any standards this seems to us to be extremely high. We note that alcohol contributions in the same eight-month period across all of these meals totalled £75 only.
- By way of comparison, we have examined the expenditure on entertainment of both the Chief Constable and Deputy Chief Constable of North Yorkshire Police. This is a small UK force with an establishment of 1,580 police officers and 900 civilian support staff. SOJP's establishment is 245 police officers and 95 support staff. The information is freely available on the force's website²¹. In the financial year running April 2007 to March 2008, the Chief Constable spent £2,047.52 on entertainment and the Deputy Chief Constable spent £3,232.07.

²¹ www.northyorkshire.police.uk

Use of Purchase Cards

- We have specifically considered the use of Purchase Cards given the very frequent usage of them during Operation Rectangle.
- Given the number of officers involved in this investigation, we have focussed on those individuals who appear to have higher usage of purchase cards, and those officers who were in attendance on the trips to London, which have been outlined above.
- Throughout this Review we have identified a number of breaches or deviations from the policies surrounding the use of Purchase Cards, and we consider those further below.
- However, it is worth reminding the reader that Purchase Cards are, in effect, a payment mechanism that enables circumvention of the standard procurement process. By this we are referring to the fact that a Purchase Card holder is able to use their card up to the credit limit in place without prior approval. The card balance is settled monthly, and is settled directly by SoJ rather than by the individual. Thus, the process relies upon the Purchase Card holder submitting details of their monthly spend in a timely fashion (i.e. before the card balance is settled), and that statement being subject to proper scrutiny and approval by a superior.

Number of Purchase Cards in issue

- There were a total of 86 Purchase Cards in issue in SOJP in 2008.
- The significant number of cards in issue results in a considerable monthly administrative process to review and approve all of the purchase card usage.
- We understand that, following the appointment of the new Acting Chief Officer, a review of Purchase Card usage was undertaken and, as a result, the number of cards in issue has been reduced to a

current level of 46. We have been advised that there are a further 22 Purchase Cards being held in the SOJP Finance Office safe, which were returned and are currently being considered for re-issue by the SOJP senior management team.

Purchase Card limits

- It is clear that the individual Purchase Card limits will vary, depending on the role of a particular officer within SOJP. We have seen various limits between £2,500 and £15,000 per individual card.
- Clearly the cumulative 'exposure' to Purchase Card spend is very considerable and, as we identify earlier, it relies upon policies being understood and followed by the individual Purchase Card holders.

Key Control Issues

- There are a number of key control issues that we have identified as a result of our review of Purchase Card usage in connection with this investigation.
- Most significantly, the level of travel and entertainment spend is very high. We have seen very few instances of restaurant meal invoices being attached to purchase card statements. Nor have we seen, in the majority of cases, proper recording of the names of attendees at business dinners.
- The level of alcohol contribution from individual meal attendees is very low as a proportion of total meals spend. Proper recording of the names of the attendees at each meal is required in order for the approver of the transactions to be able to be comfortable that all meals were properly incurred as business dinners.

- The practice of splitting meal costs between various Purchase Cards causes us some concern, as none of the participants include the restaurant invoice or refer to their element of the bill as being part of a larger cost. We have previously referred to the views of certain officers as to this practice, and we consider that this practice of splitting restaurant invoices should not be permitted in future.
- The choice of restaurant venue and meal spend per-head is, of course, something for the senior officer to determine based on the circumstances. However, we have seen many instances where the choice of venue and spend per-head could be questioned, and where there does not appear to have been any real attempt to contain the expenditure within guideline levels.
- We have previously identified the use of Purchase Cards to purchase first class rail tickets on the Gatwick Express. There are other instances where Purchase Cards have been used to purchase, for example, new mobile phones for the SIO and D/SIO at a cost of £270 each. Again, we question whether that is an appropriate use of the purchase card, whether the use of the cards was done simply to enable the standard purchase order procurement process to be avoided and whether it was appropriate for this cost to be ascribed to the investigation.
- The approval process for Purchase Cards needs to be tightened to ensure that the transactions are not approved unless stated procedures have been followed. We are also aware that it is sometimes the case that it is not the most senior officer that will settle restaurant bills on their purchase card (we have noted various instances of this occurring throughout this Review). We consider that the most senior officer should settle the meal cost. This ensures that it is not the case that a more senior attendee at the meal then approves the meal spend, thus reducing the level of comfort that can be placed on that review and approval process.

- We have also been advised that, in this particular case, the purchase card spend of ex-DCO Harper was approved by one of the three Chief Inspectors, rather than by the Chief Officer. We would have expected the Chief Officer to approve these transactions, given that we consider the Chief Inspectors may have felt it inappropriate to question the transactions of their superior officer.

Travel

- We have commented elsewhere in this Report about the role of various SOJP personnel in the booking of travel, either inward for seconded officers or outward when officers were required to attend trips to London or elsewhere.
- In future, we consider that best prices as well as the overall coordination (and accountability, including budgeting) of this process could be best handled by a single person or small team of people managing all travel bookings; it would also prevent the need for trained officers having to undertake this role when they could be better utilised²².
- The total cost of travel in this investigation is principally a factor of the level of inward resources directed at it, e.g. the number of mutual aid officers, UK based civilian staff (for example the trained HOLMES operators), and other third party contractors and advisers (for example LGC, Mr Grime, ACPO) who had need to travel to and from the Island throughout the duration of the investigation, and particularly post discovery of JAR/6.
- Whilst there was outbound travel also contributing to this cost, for example the costs of officers taking witness statements in the UK

²² We refer not simply to the time taken to book travel, but also to account for all purchase card transactions. One officer's purchase card in May 2008 alone showed his purchase card had been used to book 22 flights, and four ticket changes

and further afield, it is the costs of the trips to London to visit MPS that have caused us most concern, as reported above.

- We make reference to a trip made by members of the enquiry team to Australia for the purpose of taking witness statements. The total cost of this trip was £9,512, including international flights costing £8,001.
- Papers were prepared by SOJP officers in respect of the costs of this trip. The travellers were an SOJP officer and a civilian support officer. The officers travelled from London Heathrow to Dubai, from Dubai to Perth, from Perth to Brisbane, from Brisbane to Dubai (via Singapore) and Dubai to London Heathrow. The outbound flights between Heathrow and Perth were in Business Class, and the return flights from Brisbane to Heathrow were in First Class.
- We are aware that the use of First Class caused some questions to be raised in the States of Jersey, and the internal papers / reports were prepared to deal with those questions. The reports were manually commented upon by the SIO, and then forwarded to the Accounting Officer at Home Affairs on 2 June 2008.
- In this case it was argued that local officers needed to travel to take the witness statements, and that the First Class return option was the only available option as there were no business class seats remaining. The SOJP officer who travelled does refer to using Emirates as “... *by far the cheapest airline.*”
- We suggest that, in future, long-haul travel arrangements and costs be pre-approved by the SIO or Chief Officer, which would cause all alternative travel options (and dates of travel) to be properly considered and scrutinised.

Hotel Accommodation

- Of total hotel accommodation costs of £881,476, a total of £835,306 or 94.8% relates to Jersey hotel costs for seconded staff and officers. We analysed the use of hotels in detail as part of this Review.
- Of the total Jersey hotel spend, £747,756 was in respect of 4* accommodation (being 89.5% of the total Jersey hotel spend). There was a further £86,078 relating to 3* accommodation and £1,472 relating to 2* accommodation.
- We refer to our concerns as to the use of L’Horizon Hotel and Spa for Mr Grime and LGC for an extended period of time given both the cost and the distance from the HDLG scene.
- Elsewhere in this Report we refer to the efforts made by individual officers to best manage and negotiate the rates being obtained from individual hotels. Again, and as with travel costs, the total quantum of the accommodation spend was a factor of the number of officers deemed necessary to staff the enquiry team, and in particular the number of officers and specialist civilian contractors brought in from the UK.
- There is a relatively limited stock of hotels in Jersey, and aside from our specific concerns regarding the use of L’Horizon Hotel and Spa for an extended period of time, other accommodation that was used, primarily being Merlin House, Hotel de France, Liberty Apartments and Uplands Hotel, appears appropriate (both in terms of negotiated room rate and distance to the HDLG site).
- Again, in future major investigations, a single person or team managing all hotel bookings may prove to be the most efficient and effective way of operating, and provide the best opportunity to secure preferential rates based on more formal forward planning of accommodation requirements.

Observation	Issue	Recommendation
<p>We have, as a result of our Review, a number of major concerns around the application of the Travel and Expense and Purchase Card policies in respect of this investigation, and in particular with regard to travel (specifically the visits to London).</p>	<ul style="list-style-type: none"> ■ We have identified a considerable number of breaches of policies in the Report above, by the SIO and other attendees to trips to London in particular. ■ Purchase card policies were not applied routinely during the course of this investigation. ■ The rationale for six trips to London made by the SIO and up to four other officers, at a total cost in excess of £13,000, is unclear to us. ■ The Chief Officer was not approving expenses incurred by the SIO. 	<ul style="list-style-type: none"> ■ Recommendation #17: both the Travel and Expenses and Purchase Card policies need to be tightened and applied strictly at all times. It is essential that robust review of purchase card usage occurs, and appropriate challenge made where it appears that expense policies have not been properly followed. ■ In particular the recording of meal attendees and submission of meal receipts needs to be tightened as a control mechanism. ■ The application of guidelines should also cause the choice of restaurant to be properly considered.
<p>The level of entertaining cost is, in our opinion, extremely high.</p> <p>A key element of this cost results from the various trips made by ex-DCO Harper and others to London, the rationale and need for these trips being unclear.</p>	<ul style="list-style-type: none"> ■ The choice of restaurant in both London and Jersey may have been inappropriate on occasions, given that the level of spend per head was far in excess of the expense policy guidelines in many instances. ■ One dinner on 1 May 2008 cost £699 and included a News of the World reporter. ■ In Jersey too, it seems that the SIO entertained visiting UK officers regularly during the course of this investigation. ■ The lack of disclosure of attendees at meals and the rationale for the meal, along with the absence of sign-off by a superior officer in terms of Mr Harper's purchase card spend does cause us some concern, if for no other reason than purchase card policies were not applied routinely by senior officers. 	<ul style="list-style-type: none"> ■ Recommendation #18: the DCO's purchase card usage and expenses claims need to be signed-off by his superior officer, being the Chief Officer. ■ This will enable proper scrutiny and challenge of expenses on a timely basis. We do not consider it appropriate for subordinate officers to be requested to approve these items. ■ A Finance Manager would again add a further level of scrutiny to the purchase card and expense approval processes.
<p>We acknowledge that there were considerable efforts made by certain officers within SOJP to arrange more attractive rates with a number of the hotel and serviced accommodation providers; this is to be commended.</p>	<ul style="list-style-type: none"> ■ We are concerned about the use of the L'Horizon Hotel and Spa to accommodate Mr Grime and the LGC team for such a prolonged period of time. ■ Various different officers were charged with sourcing hotel and other accommodation. 	<ul style="list-style-type: none"> ■ Recommendation #19: the use of a single person or small team to manage all hotel bookings and travel arrangements may prove more efficient, and we recommend this as a point forward for future major investigations.