

POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE POLICE & CRIME PANEL

PAPER MARKED

Report of	OFFICE OF THE POLICE & CRIME COMMISSIONER
Date	MONDYA 6 TH MARCH 2023
Subject	APPOINTMENT OF INTERIM CHIEF FINANCE OFFICER
Author	LIZZIE STARR, DIRECTOR OF GOVERNANCE AND PERFORMANCE, OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR LEICESTER, LEICESTERSHIRE AND RUTLAND

Purpose of Report

1. The purpose of this report is to enable members of the Police and Crime Panel (PCP) to consider the Police and Crime Commissioner's (PCC) proposed interim appointment of an Interim Chief Finance Officer.
2. In doing so, the Panel must satisfy itself that the preferred candidate selected by the PCC has the professional competence to undertake the role and has significant personal independence to be able to act operationally independent of the PCC.

Recommendation

3. The Panel is asked to review the appointment of Kira Hughes as the Interim Chief Finance Officer in accordance with section 28(5) and schedule 1 paragraphs 9 to 11 of the Police Reform and Social Responsibility Act 2011.

Background

4. The previous Chief Finance Officer resigned from holding both PCC and Chief Constable CFO roles with effect from November 2021.
5. The Resources Manager supported the previous PCC Chief Finance Officer, as acting Chief Finance Officer in her absence from September 2019 and as Deputy s151 Officer from July 2021.
6. Experience over the last few years has shown that the PCC requires sound financial advice for all significant decisions, and these cannot always wait for a part-time post-holder to be available. Part-time post-holders in other PCC Offices have all had to work 5 days per week at least at certain times of the year to meet the demands required of the role.
7. There is the additional complexity of the Chief Constable being required in law to have a Chief Finance Officer of their own, which could be shared between

the PCC and Chief Constable. Consequently the capability could be provided by:

- a. sharing the services of an existing local authority director of finance, separate to the force's Chief Finance Officer
 - b. having a shared treasurer between the Police and Crime Commissioner and Chief Constable
 - c. having a Treasurer for the Police and Crime Commissioner, separate to the force's Chief Finance Officer
8. Each option was considered:
- a. Sharing the services of an existing local authority director of finance: this arrangement would draw in the services of a local authority s151 officer to provide the expertise required by the PCC. All local authorities require the services of their s151 officer at the same critical times of the year as the PCC (budget setting and closing of accounts in particular), therefore this option is not viable.
 - b. Sharing a Chief Finance Officer between the Police and Crime Commissioner and the Chief Constable: both the 'Chartered Institute of Public Finance & Accountancy (CIPFA) statement on the role of the Chief Finance Officer of the PCC and the Chief Finance Officer of the Chief Constable' and the 'Financial Management code of practice for Police Forces of England and Wales' requires that both the PCC and the Chief Constable should have their own CFO. The Statement requires that both the PCC and Chief Constable should appoint separate CFOs and when a joint CFO is appointed the reasons should be explained publicly in the PCC's Annual Governance Report, together with an explanation of how the arrangement will deliver the same impact. A joint Chief Finance Officer would be a full-time post, and, as such, would be available at all times. It could be argued that a joint post would improve the PCC's influence over the approach to financial management adopted within the Force. However, it wouldn't give the PCC control of this, as that legitimately sits with the Chief Constable. This would require closer integration of the Force Finance team and the PCC finance function. The PCC would lose a significant level of independence from the Force. There would be the potential for conflicts of interest and split loyalties between the two corporations sole. The PCC determined to retain a separate Chief Finance Officer from the Force to ensure independence of financial advice and scrutiny.
 - c. Having a Chief Finance Officer for the Police and Crime Commissioner, separate to the force's Chief Finance Officer: this is the current situation and remains the preferred approach.
9. The PCC must under the Police Reform and Social Responsibility Act 2011 notify the PCP of the preferred candidate for appointment as Chief Finance Officer. Schedule 8 of the Act states that the PCC must provide the following information:
- a) The name of the person whom the PCC is proposing to appoint;
 - b) The criteria used to assess the suitability of the candidate and how the candidate satisfies these criteria; and

c) The terms and conditions under which the candidate is to be appointed.

10. Also provided for the PCP's consideration are:

- i) The Role profile and person specification;
- ii) The criteria used for assessment;
- iii) CV of the preferred candidate.

Process

11. The role profile is a key document in the appointment process. It sets out clearly the expectations and requirements of the role. This was drafted and approved by the PCC, and is attached at Annex A2.

Criteria used to assess the suitability of Candidate

12. No formal selection process has been undertaken. The proposal was to recruit to the role of Chief Finance Officer after a substantive Chief Executive had been successfully appointed, so that they could take part in the selection process.

13. This was not originally expected to take long, and so the Resource Manager, Kira Hughes was asked to act as Chief Finance Officer in the meantime. Because of the delays in the successful recruitment of a permanent Chief Executive she has been acting Chief Finance Officer for some considerable time.

14. She has successfully presented 2 budget proposals to this Panel and seen the Police and Crime Commissioner through an entire financial cycle. Consequently, a formal selection process is considered unnecessary – it would not add anything to the knowledge of the PCC or DPCC as to her suitability. She has amply demonstrated her competence throughout the period of acting as Chief Finance Officer, including through this Panel's approval of her budget papers on two occasions.

Candidate Proposed

15. The PCC has selected Kira Hughes as his preferred candidate based on her skills and experience.

16. The PCC is confident that Ms Hughes has demonstrated a skill set that not only fulfils the criteria outlined by the role description but also compliments his own skills and experience.

17. Key considerations for the PCC in making his selection is that Ms Hughes has the following experience and competence:

18. Ms Hughes has extensive experience as in the public sector.

19. She is ACCA qualified Accountant and a member of CCAB.

20. She has recent experience at the most senior level and has demonstrated whilst covering for the vacant Chief Finance Officer post that she is capable of fulfilling the role.

21. Ms Hughes' CV is attached in full at Annex B2.

Terms and Conditions of Appointment

22. The interim appointment will commence with immediate effect.

23. The Treasurer post salary is at £61,875 to £70,761.

24. The post holder will be eligible to enrol in the Local Government Pension Scheme. Expenses and business mileage costs incurred in connection with the role will be reimbursed.

Implications

Financial	This post is included in the OPCC staffing budget.
Legal	The legislation enables the Commissioner to appoint a Chief Finance Officer and it is a legislative requirement that the Commissioner informs the Panel of his decision to appoint. The legal requirements are being met.
Equality Impact	The Commissioner has considered equality and diversity in this appointment.
Risks and Impact	The Panel has previously highlighted the risks associated with not bringing a Chief Finance Office before the Panel to scrutinise the appointment. This issue has been reflected in the decision made by Mr Matthews in making this decision to appoint Ms Hughes.
Link to Police and Crime Plan	The Chief Finance Officer will support the Commissioner in the delivery of the whole Police and Crime Plan.

List of Appendices

Annex A2 – Job Description and Person Specification
Annex B2 – Kira Hughes CV (Exempt Document)

Background Papers

Police Reform and Social Responsibility Act 2011.

Persons to Contact

Lizzie Starr, Director of Governance and Performance
Elizabeth.starr@leics.police.uk