

<u>Report of</u>	OFFICE OF THE POLICE AND CRIME COMMISSIONER
<u>Subject</u>	CONFIRMATION OF THE CHIEF FINANCE OFFICER
<u>Date</u>	MONDAY 9TH OCTOBER
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Purpose of the Report

To propose the confirmation of Kira Hughes as the Chief Finance Officer.

Recommendations

The Panel is asked to review the appointment of Kira Hughes as 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.

Executive Summary

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 permanent appointment of a Chief Finance Officer (Treasurer).

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.

The report provides an overview of the appointment process that was undertaken from April to July 2023 by the PCC to select the preferred candidate.

Introduction and Background

The previous Chief Finance Officer resigned from holding both PCC and Chief Constable CFO roles with effect from November 2021.

The Police and Crime Commissioner must have a Chief Finance Officer¹. They must comply with the Statement on the Role of the Chief Financial Officer issued by CIPFA.

The Resources Manager supported the previous PCC Chief Finance Officer, as acting Chief Finance Officer in his absence from September 2019 and as Deputy s151 Officer from July 2021. That post had not been backfilled during this period.

Experience over the last few years has shown that the OPCC requires sound financial advice from a Chief Finance Officer for all significant decisions and it is preferable that this is on a full-time basis.

¹ para 6-8 sch1 Police Reform and Social Responsibility Act 2011

Having a Chief Finance Officer for the Police and Crime Commissioner, separate to the force's Chief Finance Officer, is the current situation and remains the preferred approach.

In light of this, a review of the Finance Team structure within the OPCC was undertaken to consider how best the preferred approach can be delivered.

The PCC must under the Police Reform and Social Responsibility Act 2011 (Act) notify the PCP of the preferred candidate for appointment as Treasurer. 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.

Also provided for the PCP's consideration are:

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

Issues for Consideration

The OPCC requires full time access to high level professional financial advice, and full-time access to more straight-forward accounting support and advice.

A business case proposing that the finance function be restructured to consist of a Chief Finance Officer and an Assistant Accountant was developed and approved. This would result in the Resource Manager post be deleted and replaced with an Assistant Accountant, and the Chief Finance Officer post revised.

With a full-time dedicated Chief Finance Officer, support in the form of a Resources Manager is not required. However, experience during the time that post has not been back-filled has shown that the acting Chief Finance Officer is spending too much time on essential lower-level tasks and insufficient time on more strategic advice and VFM assessments. The proposal therefore provides resilience compared with the current actual situation whilst also providing better value for money than the current budgeted posts.

The revised Chief Finance Officer role (as brought to the Panel in March for the interim CFO confirmation hearing) is significantly higher than the current Resource Manager role. However, after carefully reviewing the requirements for the role and the person specification it was agreed that this role may be an alternative employment option for the current Resource Manager who had been acting Chief Finance Officer for some considerable time.

It was therefore proposed to invite the acting Chief Finance Officer to a 'ring fenced' interview, so her suitability could be established for the enhanced role. If she was successful following the ring-fenced interview, then she would be slotted into the new

post without further process. Should she be unsuccessful or did not consider this to be a suitable alternative then she would be placed at risk of redundancy.

Affected staff and UNISON were consulted on the proposal prior to it being approved.

Role Profile and Person Specification

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 for the process and approved by the PCC, and is attached at Appendix A. It is the same as that used by the Panel for the interim CFO confirmation hearing.

Selection Process

The selection process used was a competitive interview. The interview took place at Police HQ, Leicester on Monday 31st July 2023 and lasted one hour. The Interview panel consisted of:

- Rupert Matthews (PCC for Leicestershire, Leicester and Rutland)
- Luke Pulford (Chair of the Independent Joint Audit, Risk and Assurance Panel)
- Clare Hornbuckle (Evaluation and Scrutiny Officer, OPCC)

It had been planned that the Interim Chief Executive would form part of the Panel, but an emergency on the day prevented his involvement in the interview, and he was replaced by the Evaluation and Scrutiny Officer, who is experienced in interviewing and ensuring probity.

Criteria used for selection:

The candidate was asked a set of agreed questions. The questions asked probed the candidates' technical capabilities in the following areas:

- An awareness of current and future funding issues (Question 1)
- Experience of Financial Planning (Question 1)
- Delivering value for money (Questions 2 and 4)
- Experience of Governance and financial control (Questions 2 and 5)
- Experience of Audit (Question 3)

Attached (**Appendix B**) are the questions asked of the candidate.

Each question was scored against the standard scale used across policing. The candidate had to meet or exceed an acceptable standard (at least 3 out of 5 on that standard scale on each question).

At the end of this process Kira Hughes was selected as the preferred candidate. Please refer to **Appendix C** for her CV. Please note these are Closed items and not for publication.

Preferred Candidate – Kira Hughes

As is apparent from her CV, Kira has extensive experience in the public sector. She is ACCA qualified Accountant, and a member of CCAB. 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.

Terms and Conditions of appointment

The appointment will commence with immediate effect.

The Treasurer post salary is at £74,376 to £79,206.

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.

Supplementary Information

Appendix A – Job description and Person specification

Appendix B – Interview Questions and Assessment criteria

Appendix C – Kira Hughes CV (Exempt Document)

Leicestershire Police and Crime Commissioner

Job Title: Chief Finance Officer

Job Summary

To provide in depth expertise and strategic advice to the PCC on financial planning, management, policy, and all financial aspects of corporate governance. To develop and maintain appropriate financial management and administration systems and controls that support the service commissioning intentions of the PCC and help ensure regularity, propriety and value for money in the use of public funds and in the delivery of the Police and Crime Plan.

Post Number: PC002

Grade /Scale: Salary £74,376 - £79,206

Weekly Hours: 37 hours per week

Responsible To: Chief Executive Officer

Responsible for: Resource Manager

Location Work base: Police Force Headquarters

Key Working Relationships

- The Police & Crime Commissioner and Deputy Commissioner
- All staff and contractors of the Police & Crime Commissioner
- Chief Constable and senior officers and managers of the Force
- Local partnerships, stakeholders, and voluntary and community sector
- Police and Crime Panel
- Senior officers and politicians across Leicester, Leicestershire, and Rutland councils
- Joint Audit Risk and Assurance Panel
- The communities of Leicester, Leicestershire, and Rutland
- The wider PCC and policing network of the East Midlands region
- External bodies such as the Association of Police and Crime Commissioners, PACCTS, Home Office, HMIC, IOPC, Ministry of Justice, and other offices of Police and Crime Commissioners

Key Functional, Management and Leadership Responsibilities.

1. To exercise the statutory responsibilities for all financial affairs and have accountability for the financial probity for the Office of the Leicestershire Police and Crime Commissioner (OPCC).
2. To exercise the statutory arrangements for proper financial administration and governance as set out within the statutory responsibilities under Section 151 of the Local Government Act, the Local Government Finance Act 1988, the Local Government Act 2003 and other relevant legislation.
3. To provide in depth expertise and strategic advice to the PCC on financial planning, management, policy and all financial aspects of corporate governance. To develop and maintain appropriate financial management and administration systems and controls that support the service commissioning intentions of the PCC and help ensure

regularity, propriety and value for money in the use of public funds and in the delivery of the Police and Crime Plan.

4. To ensure that accurate, complete, and timely financial management information is provided to the PCC. Scrutinise and oversee the Chief Constable's draft budget proposals. Arrange for the determination, issue, and transfer of the precept.
5. Report to the PCC, Chief Constable, and External Auditor any unlawful or potentially unlawful expenditure by or on behalf of the PCC.
6. To ensure the effective delivery and provision of internal and external audit services, respectively, to the PCC. In particular, to:
 - Ensure, jointly with the Force Finance Director, the delivery of an effective internal audit function which provides assurance upon the internal control and governance arrangements within the Force and the Office of the PCC;
 - Advise and support the Joint Audit Risk and Assurance Panel to deliver its agreed terms of reference, including production of its annual assurance report;
 - Liaise with the External Auditor to facilitate an effective external audit of the PCC and Chief Constable's financial affairs;
 - Maintain an effective anti-fraud, bribery and corruption policy and operational practices;
 - Work closely with the Force Director of Finance to procure adequate and appropriate insurance cover for both the Force and PCC;
 - Develop, implement and maintain an effective Risk Management Action Plan and Business Continuity Plan for the OPCC.
7. Lead responsibility on behalf of the PCC for oversight and scrutiny of the Force's resources- related plans (e.g. estates and asset management strategy and plan; Procurement Strategy; ICT Strategy, etc).
8. Formulate an effective treasury policy and strategy and to monitor treasury management performance so as to minimise external interest costs, maximise investment returns and guard against financial loss.
9. Oversee the monitoring and administration of all PCC controlled expenditure.
10. To provide strategic direction and financial advice and challenge to the Commissioner in fulfilling his functions and providing professional leadership, responsibility and management of the overall budget, strategy and operational framework for the Police and Crime Commissioner.
11. To discharge fully responsibilities delegated by the Police and Crime Commissioner in discharging his responsibilities in accordance with the provisions of the Police Reform and Social Responsibility Act 2011.
12. To communicate at an executive level with senior stakeholders within and beyond the County, forging high-level relationships, fostering strategic partnerships, influencing key investment and policy decisions and enhancing the reputation and influence of the Office of the Police and Crime Commissioner. Ensure that the Office of the Police and Crime Commissioner significantly contribute to national considerations concerning policing and public safety.

Statutory Responsibilities:

13. To discharge fully the responsibilities of the Section 151 Officer for the Office of the Police and Crime Commissioner (OPCC) Policing Group, (including any companies, charities or joint ventures within the group) in accordance with the responsibilities under the Local Government Act s.151 and the Police, Reform and Social Responsibility Act 2011.
14. To discharge fully the responsibilities of the Section 151 Officer for the Leicestershire Commissioner in accordance with the responsibilities under the Local Government Act s.151 and the Police, Reform and Social Responsibility Act 2011

15. To discharge fully the Duty of Best Value responsibilities as set out in Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007).
16. In conjunction with the CEO to ensure compliance with the requirements of all statutory, legislative and financial frameworks. Demonstrable evidence of policy judgement, political awareness and astuteness.
17. To ensure propriety in the conduct of the Commissioner's business, including making proper arrangements and governance for contracts and tendering procedures.
18. As the statutory officer charged with governance, to lead engagement with external and internal auditors and discharge those responsibilities at the Joint Audit Risk and Assurance Panel (JARAP).

General

19. To actively promote equality of opportunity, proactively work towards eliminating discrimination and promote good relations between all groups of people.
20. To undertake such other duties commensurate with the post as may be required for the safe and effective performance of the job.
21. This role description should develop along with the changing demands of policing reflected in the PCC's objectives and priorities.
22. To be flexible in terms of working location and be prepared to, when required, work and travel nationally to fulfil the duties of the role.

Person Specification

Knowledge/ Education (including qualifications):

1. To evidence previous experience working as a Chief Officer and Section 151 Officer in large and complex organisations.
2. Qualified CCAB (Consultative Committee of Accountancy Bodies) and Membership of one or more professional bodies as set out in s.113 of the Local Government Finance Act 1988.

Experience:

3. Substantial knowledge and experience of leading financial planning, budget preparation and control, financial risk assessment, management and resolution, statutory accounting, and financial systems and control across more than one large and complex organisation
4. Proven experience of providing strategic financial and policy advice and challenge to senior and political leaders.
5. Experience and success in:
 - a. Promoting, leading, and influencing high performing, professional teams
 - b. Effective partnership working and collaboration; developing and maintaining positive and productive relationships with a range of internal and external stakeholders and strategic partners.
 - c. Driving cultural change and organisational vision and values.
 - d. Operating in a political environment, providing professional advice and guidance to, and building effective working relationships with senior managers, government officials and elected members.

- e. Developing strategic policies and plans.

Skills:

6. Effective interpersonal, communication and presentation skills, (oral and written) with ability to engage a range of audiences, build and maintain successful, positive relationships/ networks and positively represent the PCC.
7. Sound judgement in devising and evaluating options and dealing with complex issues, commercially / financially astute and client focussed. Ability to see the big picture, interpret it and develop relevant strategies, plans and deliverables.
8. Flexible and able to meet competing demands and challenging circumstances, ability to work under pressure and work at pace to achieve priorities.
9. Personality and credibility that engages and commands the confidence of all stakeholders, building rapport and gaining trust.
10. Excellent current working knowledge and understanding of police and local government law, practice and statutory requirements with a thorough understanding of the current issues and future challenges facing the sector and their impact across a range of policing services.
11. Proven / demonstrable leadership skills; specifically the ability to “take people” with you, engage and motivate and promote organisational vision and values. Collaborative and strategic leader – able to motivate and work across boundaries and achieve performance/results through others.

Other

This post is politically restricted under the Local Government and Housing Act 1989 as amended by the Local Democracy, Economic, Development and Construction Act 2009.

Security Check Levels refer to vetting for the specific levels that relate to this job role:

Management Vetting (MV)

Security Check (SC)

Residency vetting requirements: 5 years continuous UK residency.

Car User: Yes – Casual User Allowance

Additional Information: Must hold a full driving licence and be prepared to use own car for business purposes.

** Reasonable adjustments will be considered under the Equalities Act 2010.*

INTERVIEW QUESTIONS – ISSUES WHICH MAY BE RAISED

Q1: Explain the approaches you have used for medium term financial planning, including any particular good practice

- Look at least 3 years ahead (preferably 5)
- Rolling process- years 1/2 in detail, years 3+ more flexible
- Build year 1 directly into the annual budget
- Review assumptions regularly – not a once-a-year process
- Ensure that the financial strategies link to corporate and Police and Crime Plan strategies
- Focus on key variables – grant/pay levels/establishments/turnover/Council tax
- Sensitivity testing
- Consult partners and public on priorities
- Risk assessment and building in contingencies
- Reserves strategies
- Summarise results in a form that can be used as the basis for engaging with staff and partners in to update/refine the strategies

Q2: The PCC is committed to improving the quality of delegated financial management. What do you see as the key elements of an effective system of cost centre management?

- Cost centres which are relevant to the way that the Force is organised and operated
- Clarity on allocation of direct costs and overheads
- Good ICT support systems, to enable access to data and interrogation of reports
- Regular monitoring, with reports tailored for different users
- Clear rules on delegated authority, freedom to move funds between cost centres, and carry forwards
- Accountability - responsibility for individual cost centres and overall performance
- Availability of both objective and subjective information

(supplementary question: What are the opportunities, challenges and threats in delegated financial management?)

Q3: How would you maximise the benefit of the JARAP to the organisations?

- Scrutiny and oversight of shared financial controls, being clear about who is responsible for what aspects
- Ensuring both organisations learn from their different approaches to risk management
- Maintaining oversight of standards, recognising the different roles the PCC and Chief Constable have

Q4: Leicestershire is in the process of developing Transformation Plans. What are the issues involved in tracking and realising the benefits of any transformation?

- Importance of preparing comprehensive business cases
- What is the improvement designed to achieve?

- What are the alternatives - could existing systems be modified? Does another Force already have practices which can be learned from?
- Establish a base position (financial costs; quality of output) to compare alternatives against and to monitor against)
- Be clear on the quality improvements and efficiencies aimed for
- Establish a tightly controlled implementation arrangement
- Ensure regular monitoring of costs and progress
- Challenge any changes to specifications
- Challenge extensions to the proposal, or secondary proposals emanating from the original which may have costs or other consequences
- To be in a position to track benefits, the Force must collect information on 'before and after' positions on running costs (especially staff savings) and quality/output measures - increased costs could be more than outweighed by quality improvement

Q5: The reason we have good governance is to promote good outcomes for the public. Decision making in the PCC/ CC context can be complicated. Set out your approach to being effective in this environment.

- Clarity on the objectives
 - which are regularly updated
 - so that financial decisions are always framed in the current strategic context
- Medium Term Financial Strategies which set out the revenue and capital plans for achieving the objectives
- Clarity in the annual budget on the key components of the strategy (establishment levels, major investments etc)
- Robust financial regulations and protocols designed to give clarity on delegated responsibilities, variations, reallocations within budgets, reporting requirements etc
- Strategic management structures involving the leaderships of the partners (PCC, CC, Chief Exec, Treasurer) which provide a permanent and regular basis for agreeing objectives, financial plans and individual proposals

Possible alternative / supplementary question: What are the features of a good grant system?

- *Clear but simple measurable objectives*
- *Clarity of terms and process, both for applicants and processors*
- *Clear but simple monitoring*
- *Well-timed reviews, planned in advance and undertaken as planned*
- *Courage to stop funding activities that are not delivering*