



# OFFICE OF THE POLICE & CRIME COMMISSIONER FOR NORFOLK

**ORIGINATOR:** Chief Executive

**DECISION NO.** 2015/19

**REASON FOR SUBMISSION:** For Decision

**SUBMITTED TO:** Police and Crime Commissioner

**SUBJECT:** Chief Finance Officer (Section 151) Arrangements

**SUMMARY:**

This paper sets out a proposal for the PCC and Chief Constable to share a Chief Finance Officer (Section 151 Officer).

**RECOMMENDATION:**

It is recommended that the proposal as described within the paper be agreed.

**OUTCOME/APPROVAL BY:** PCC

The recommendation as outlined above is approved.

**Signature**

*A.W. Bell*

**Date** *12/8/15*

## DETAIL OF THE SUBMISSION

### 1. KEY ISSUES FOR CONSIDERATION

- 1.1 This paper presents a proposal for consideration which involves the Chief Constable and the Police and Crime Commissioner sharing the PCC's Chief Finance Officer on a permanent basis (instead of the previously agreed interim basis), until such time as either of the current post holders of Chief Constable or PCC's CFO change or the joint arrangement becomes untenable.
- 1.2 At the end of 2013/14 financial year, Suffolk Police and Crime Commissioner (PCC) took the decision not to extend/renew the Section 22A agreement for the sharing of Assistant Chief Officers by the two Chief Constables. The Suffolk Assistant Chief Officer had been acting in a dual capacity as the Chief Finance Officer (CFO) for both the Suffolk and Norfolk Chief Constables.
- 1.3 At the request of the Norfolk Chief Constable (CC) and in agreement with the Norfolk PCC, the PCC's Chief Finance Officer has been covering the CC's CFO role, on an interim basis, since 1<sup>st</sup> April 2014. During this time the Chief Constable had been considering options for a permanent appointment.
- 1.4 The interim arrangements were summarised in the [Annual Governance Statement](#) (paragraph 6 of the Statement) and were also the subject of review by the external auditor and the [Annual Audit Letter](#) includes details.
- 1.5 The Police and Social Responsibility Act 2011 requires the PCC to appoint a Chief Executive and a CFO, and the Chief Constable to appoint a CFO. The PCC's appointees are subject to confirmation hearing by the Police and Crime Panel in accordance with the Act.
- 1.6 The Home Office Financial Management Code of Practice (FMCOP) for the Police Service of England and Wales (October 2013), issued under section 17 of the Act by the Home Secretary sets out the detailed responsibilities of CFOs (as at Appendix 1). CIPFA has issued a Statement on the Role of the PCC's CFO and the CC's CFO (March 2014).
- 1.7 On considering the content of these documents, both the FMCOP and the CIPFA Statement make many references to the two CFOs "working closely together", to the working relationship being of "fundamental importance" and to processes requiring "development in close consultation". When looking at the main responsibilities of each CFO, it is revealed that the roles are almost identical and with a great deal of overlap.
- 1.8 The potential issues arising from sharing a Chief Finance Officer have been explored in a paper which was considered by the Audit Committee at their meeting in November 2014. The paper identified that those considering appointing a joint Chief Finance Officer across the force and the PCC's Office must reassure themselves that any potential conflicts of interest would be appropriately handled.

- 1.9 In considering how to handle conflicts of interest, the current PCC CFO, as a CIPFA member, is bound by Standards of Professional Practice. Compliance is required in order to uphold the public interest, ensure the integrity of work for which the CFO is responsible, and to discharge professional obligations with competency. There is a separate Standard of Professional Practice on Ethics, which covers personal integrity, objectivity (not allowing bias conflict of interest or undue influence of others to override professional or business judgements), professional competence and due care, confidentiality and professional behaviour. In the event of a conflict of interest, the CFO would continue to advise either the PCC or the Chief Constable, depending upon the CFO's position in the matter at issue and the Cambridgeshire PCC has agreed that his CFO may be asked to advise either the Norfolk Chief Constable or the PCC, depending upon the particular circumstances.
- 1.10 It would be difficult for the CFO to carry out the dual role if, for any reason, the working relationship between the PCC and CC deteriorated. In the interim period where there has been a joint CFO, the post holder has already demonstrated the value of providing statutory financial advice to both the PCC/OPCC and the CC.
- 1.11 The PCC Chief Finance Officer has considered and reflected on the proposed arrangements and is in full support of them.
- 1.12 The Audit Committee having considered the proposal was satisfied with the arrangements to handle any conflicts of interest that might arise and were content for it to proceed.
- 1.13 The arrangements will be continuously reviewed by the Chief Executive and Chief Finance officer alongside the Scheme of Governance and Consent.
- 1.14 The arrangements will be described in the Annual Governance Statement of the PCC and Chief Constable.

## **2. PRACTICAL AND FINANCIAL IMPLICATIONS:**

- 2.1 The proposal is for the joint CFO arrangement to run on a permanent basis, until May 2016 or until such time as either of the current post holders of Chief Constable or PCC CFO change, or the joint role becomes untenable.
- 2.2 The PCC's Chief Finance Officer is currently an employee of the PCC employed part time on a 0.61 FTE basis. The proposal will require the Chief Finance Officers contract with the PCC's Office to be amended to 0.4 FTE and a new contract provided by the Constabulary for 0.6 FTE.
- 2.3 The arrangement will be kept under continuous review. Should any conflicts of interest arise they will be handled as described in paragraphs 1.9 and 1.10. Should the arrangement prove impractical then it may be terminated upon reasonable notice by either the PCC or the Chief Constable.

2.4 The Chief Finance Officer of the PCC had a confirmation hearing before the Police and Crime Panel. However there is no requirement under the Act for this to be held again as there has been no change in the PCC CFO post holder. However the Police and Crime Panel has been advised of the proposal.

**3. OTHER IMPLICATIONS AND RISKS:**

None.

**PUBLIC ACCESS TO INFORMATION:** *Information contained within this submission is subject to the Freedom of Information Act 2000 and wherever possible will be made available on the OPCC website. Submissions should be labelled as 'Not Protectively Marked' unless any of the material is 'restricted' or 'confidential'. Where information contained within the submission is 'restricted' or 'confidential' it should be highlighted, along with the reason why.*

<b>ORIGINATOR CHECKLIST (MUST BE COMPLETED)</b>	<b>PLEASE STATE 'YES' OR 'NO'</b>
Has legal advice been sought on this submission?	YES
Has the PCC's Chief Finance Officer been consulted?	YES
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	YES
Have human resource implications been considered?	YES
Is the recommendation consistent with the objectives in the Police and Crime Plan?	YES
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	The proposal has been discussed with the Chief Constable, Audit Committee and External Auditors
Has communications advice been sought on areas of likely media interest and how they might be managed?	YES
In relation to the above, have all relevant issues been highlighted in the 'other implications and risks' section of the submission?	YES

**APPROVAL TO SUBMIT TO THE DECISION-MAKER** (this approval is required only for submissions to PCC and DPCC).

**Chief Executive**

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.

Signature:



Date

17.8.15

