

**OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR HUMBERSIDE
DECISION RECORD**

Decision Record Number: 32/2019

Title: Preferred option in planning for managing the requirement for a statutory s151 Officer post the retirement of the OPCC Deputy Chief Executive and Treasurer

Executive Summary:

This paper outlines the options available as we plan for the retirement of a key role within the OPCC. It makes a recommendation for a preferred option that provides the office with access to the expertise required, provides more resilience to the OPCC and makes a saving to the overheads of the office. A decision is required to agree a preferred option that allows detailed costing and legal planning to happen. A further decision record will be brought to agree the preferred option at this time.

Decision:

That the recommendation be endorsed by the Commissioner with a view to progressing with a detailed plan with accompanying legal documents for final decision in the meantime permissions with relevant agencies involved i.e. Fire Authority and Police and Crime Panel will be progressed.

Background Report: All background included in this report

Police and Crime Commissioner for Humberside

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with my code of conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date

2-10-19.

**POLICE AND CRIME COMMISSIONER
FOR HUMBERSIDE**

SUBMISSION FOR: DECISION

OPEN

Title: Managing the requirement for a Chief Finance Officer and statutory s151 Officer post the retirement of the OPCC Deputy Chief Executive and Treasurer

Date: September 2019

1. Executive Summary

The PCC is required to appoint a Chief Finance Officer to undertake the responsibilities outlined in Section 151 of the Local Government Act 1972 for the proper administration of their financial affairs.

This role is currently undertaken for the Humberside OPCC by a full time Deputy Chief Executive and Treasurer post. The post holder has indicated an intention to retire by the end of 2019.

This paper outlines the options considered in planning for that retirement and considers a variety of options including recruit as per current role profile, recruit part time post, collaboration with the police force and collaboration with the Fire and Rescue Service.

A recommendation for a preferred option is made that provides the office with access to the expertise required, provides more resilience to the OPCC and makes a saving to the overheads of the office.

The preferred option will then be developed into a detailed proposal with an accompanying legal document for review and final decision from the Commissioner.

2. Background

The Police Reform and Social Responsibility (PRSR) Act 2011 established new policing arrangements with a Police and Crime Commissioner (PCC) and the Chief Constable (CC) being separate corporations sole.

The Policing Protocol Order 2011 sets out high level financial responsibilities of the PCC and CC. The PCC is accountable to the public for the management of the Police Fund which is held by the PCC. The PRSR Act

requires a Chief Executive and a Chief Finance Officer (CFO) to be appointed by the Police and Crime Commissioner and a Chief Finance Officer to also be appointed by the Chief Constable.

Since July 2017 the OPCC Deputy Chief Executive and Treasurer has undertaken the role of Section 151 officer for the force and the OPCC. The force have now appointed a Chief Finance Officer who begins post in October 2019 and allows the OPCC to focus on its primary responsibilities.

CIPFA is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public services. They produce a 'Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable'. This document sets out suggested ways of working and best practice. CIPFA states that the two statutory CFOs will apply knowledge and skills in different ways reflecting the respective roles and responsibilities of the PCC and Chief Constable indicating that separate arrangements are a preferred option.

A Financial Management Code of Practice (FMCP) was published by the Home Office in January 2012 under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39a of the Police Act 1996. This explains financial governance arrangements and the relationship and responsibilities of the CFO posts. Achieving value for money and securing stewardship are key components of the CFO's role in public service organisations, a duty enshrined in legislation for the CFOs appointed by PCC's and CC's.

The Policing and Crime Act 2017 introduced the Duty to Collaborate between Police, Fire and Ambulance Services which provided a focus on consideration on how functions could be more effectively delivered together.

In line with the vision and values within the Police and Crime Plan the Chief Executive is considering the most effective way to secure the services required for the Commissioner when faced with planning for the retirement of a key role. This is a natural opportunity to review the position and whether to continue as is or make suggestions that could lead to efficiencies being secured for the office or a more effective way of securing resource requirements.

The following table provides a review of the options considered and a brief narrative.

3. Options and Risks.

Option Description	Option Detail	Benefits	Negative Aspects	Risk Score1-4 1 = Low Risk, 4 = High Risk	Preference Rank 1= Preferred Option , 4 = least preferred
Recruit as per current structure	<p>The incumbent post has not been reviewed in recent years and the current post holder has seen some changes to the role. Staff working to the post have been TUPE transferred back to the Force, capacity no longer required to support the Force s151 Officer function and the current post holder is the Secretary for the national PACCTS. This would need to be reviewed for a new person coming into post.</p> <p>Cost £110,793 total cost if replace like for like on full time basis. Current post holder on phased retirement working 0.8 post and attracts no NI or Superannuation due to being over 65 total cost £67,802</p> <p>Some reduction could be made if role profile adjusted and salary reduced accordingly. Post holder FTE salary is £84,753</p> <p>Comparable roles, SY OPCC £86,763, Cleveland / NY OPCC shared £91,866, Gwent OPCC £86,997</p> <p>Cost of recruitment likely to be approx. £6000</p>	<p>Able to be close to the detail with national messaging i.e. participating proactively with PACCTS network</p> <p>Full time resource allows for much scrutiny and attendance of force meetings</p> <p>Post holder available at Commissioners immediate need</p>	<p>Capacity means post holder has time to engage in non essential activity that may not be high priority for the OPCC</p> <p>High Cost</p> <p>Difficulty in attracting those with public sector finance skills to Humber – limited pool of people</p>	2	3
Recruit but part time	<p>The post will need to be of similar grade to attract appropriate candidate with required skills / experience. There are models across the county with part time CFO's suggesting capacity at this level would be sufficient at approx. 3 days a week. The market for people with this skills set can be limited and many may not wish to consider a role on a part time basis limiting the market further and making recruitment higher risk. Some areas of work currently undertaken would need to be reduced such as the degree of participation in national work or attendance at force meetings which would require mitigation.</p> <p>Cost of a 0.6 role would equate to £66,475</p>	<p>Cost savings can be made</p> <p>Forces review of workload to assess and appropriately prioritise what is required for best outcomes</p>	<p>Slight delay could occur if part time should the Commissioner require financial guidance on a time bound issue. These are rare.</p> <p>Difficulty in attracting standard of candidate on a part time basis.</p>	3	2

	<p>Cost of recruitment likely to be approx. £6000</p>				
<p>Share post with Force</p>	<p>The force have recruited a new Chief Finance Officer starting October 2019. As the per arrangements now the OPCC could request that the new Force Officer undertake the dual role of S151 Officer for the OPCC and provide services as and when required. This is not preferred as it can cause a conflict of interest in representing both the Chief Constable and Commissioner interests impartially. CIPFA guidance makes clear the two roles need to work together but have different aspects to the work.</p> <p>Costs of this option have not been fully explored likely to only able to access 0.2 of the role but would be approx. £20,000 and result in further resource being required through recruitment of lower tier finance officer with additional costs then incurred.</p>	<p>Could be argued more cost effective</p>	<p>Commissioner interests may not be fully represented and therefore reduction in scrutiny and holding to account of the force</p> <p>New post holder not yet started or settled into post</p> <p>Limited time would only be available due to size of the portfolio within the force</p> <p>Level of capacity available would not be sufficient to meet OPCC need</p>	<p>4</p>	<p>4</p>
<p>Share post with Fire and Rescue Service</p>	<p>The Police and Crime Act 2017 introduced the duty to collaborate and as such consideration was given to whether a shared service could be developed with other Blue Light partners. Ambulance have no local services therefore Fire was considered the only viable option to explore. Discussions with the Chief Fire Officer were favourable to a collaboration building on a similar piece of work whereby a senior Fire Officer was seconded to support the Finance team at the OPCC for the end of year accounts. This experience had given both organisations confidence to explore further work and suggest a model of sharing the time of two members of the Fire and Rescue Service which provides the OPCC with access to the skills we require at the right level, resilience should one of these persons not be able to execute their duties and provide a cost saving on the original model plus an overhead saving to the Fire Service. There are alternative models of this arrangement already in existence e.g. Essex.</p> <p>Cost £84,547 total.</p>	<p>No recruitment costs</p> <p>Seamless and planned handover can be managed</p> <p>Two people 2 days week each provides resilience and appropriate support across different levels of the organisation both strategic and operational.</p> <p>Demonstrating able to collaborate with Blue Light partners</p>	<p>Risk of agreement being revoked if either party finds not working – mitigated by notice periods</p>	<p>2</p>	<p>1</p>

4. Financial Implications

There would be a slight reduction in overhead cost for the OPCC but increased resilience through access to two people, knowledge transfer opportunities from Fire and Rescue Service staff.

Recruiting as per current arrangements a full time post at the same salary level which when looked to the market seems reasonable in comparing with other PCC offices regionally and as part of the Humberside most similar group (Gwent). Total cost to the office would be £110,793.

The preferred option incurs a cost of £84,547 in effect demonstrating a saving of £26,246. We would also save the one off recruitment cost of approx. £6000 making potential savings of £32,246. The annual saving would be reduced if we chose to go to market with a lower level salary or a part time position however there are risks in both of these options around resilience and the quality of applicants available with these skills.

5. Legal Implications

There would be the requirement to draw up a legal document between the OPCC and the Fire and Rescue service in the form of a collaboration agreement which would set out the terms of the agreement and clauses that allow either party to provide 3 months notice of termination should the agreement be seen to not be working for either party.

6. Equalities Implications

There are no equalities issues to be considered.

7. Consultation

The two people from Fire and Rescue have been involved in the construction of this proposal and it has been shared with the Chief Fire Officer for his approval to progress. If approved by the Commissioner would then be required to go to the Fire Authority for their approval (October 2019). It would also need to go to the Police and Crime Panel for a confirmation hearing. (November 2019). The current post holder is aware of the proposed changes and is assisting with the forward plan. Humberside Police have been kept informed of the intention to withdraw s151 responsibility from the OPCC once their new Chief Finance Officer is in post. (October 2019)

8. Media information

None.

9. Background documents

None.

10. Publication

Closed at this stage

This matrix provides a simple check list for the things you need to have considered within your report. If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, OPCC officer(s) etc prior to submitting this report for official comments	Yes
Is this report proposing an amendment to the budget?	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Chief Officer	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have liaised with Corporate Communications on any communications issues	No –None required
I have completed an Equalities Impact Assessment and the outcomes are included within the report	No - None required
I have included any equalities, diversity and or human rights implications within the report	Yes – There are none
Any Health and Safety implications are included within the report	None at this stage
I have included information about how this report contributes to the delivery of the Commissioner's Police and Crime Plan	Yes

