



CONFIRMATION OF THE CHIEF FINANCE OFFICER

1. 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 (CFO).

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 during July 2015 by the PCCs for Warwickshire and West Mercia to select the preferred candidate and appoint her temporarily to the role.

A review of this temporary appointment has been conducted by the two new PCCs for Warwickshire and West Mercia and following advice from their respective Chief Executives both PCCs wish to appoint Elizabeth Hall permanently to the role.

2. Introduction and Background

Following the previous Treasurer's retirement on Monday 27th July 2015 the PCCs for Warwickshire and West Mercia discussed the option of not replacing the CFO and moving to an arrangement whereby the two PCCs and the Warwickshire and West Mercia forces shared Treasury advice, to be provided by the Director of Finance for the Alliance.

Both the '**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 publically in the PCC's Annual Governance Report, together with an explanation of how the arrangement will deliver the same impact.

The two PCCs agreed to appoint a CFO, and that this appointment would be reviewed in May 2016 following the next PCC elections.

The PCC must under the Police Reform and Social Responsibility Act 2011 (Act) notify the PCP of the preferred candidate for appointment as CFO. 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 recruitment, application and interview process;
- ii) Role profile and person specification;
- iii) The criteria used for assessment;
- iv) CV of the preferred candidate.

3. Issues for Consideration

3.1 Advertisement

The Advertisement for the role of CFO was circulated by the Chartered Institute of Public Finance & Accountancy (CIPFA) – Recruitment services seeking applications. An advert was also placed on both the Warwickshire and West Mercia OPCC Websites. The closing date was Wednesday 1st July 2015.

Prospective applicants were asked to submit a CV in support of their application. A detailed job description and person specification was circulated with the advert, please see **Appendix A**.

3.2 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 both PCCs.

3.3 Shortlisting

Five applications were received and reviewed by Neil Hewison, Chief Executive of the Warwickshire OPCC, Andy Champness, Chief Executive of West Mercia OPCC, and the then CFO David Clarke. All five applicants were considered suitable for interview. The shortlisting panel drafted the interview questions.

3.4 Selection Process

The selection process used was a competitive interview. The interviews took place at Hindlip Hall, Worcester, on Monday 6th July and Thursday 9th July 2015. Each interview lasted up to one hour.

The Interview panel consisted of:

- Ron Ball (PCC for Warwickshire)
- Bill Longmore (PCC for West Mercia)
- Bill Wilkinson (CIPFA Police Panel)
- John Vereker (Chair of Warwickshire and West Mercia Joint Audit Committee)

Andy Champness, Chief Executive, provided support to the panel.

3.5 Criteria used for selection:

Each 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 2)
- Experience of Governance and financial control (Questions 3,6,7)
- Delivering value for money (Question 4)
- Experience of Audit (Question 5)

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

Each question was scored and a total score for each candidate was reached. The preferred candidate achieved the highest score.

At the end of this process the preferred candidate for the temporary appointment was Elizabeth Hall. Please refer to **Appendix C** for her CV.

3.6 Review of appointment by the new PCC

Elizabeth Hall's temporary contract is due to expire on 31st July 2016. Both Chief Executives are formally of the view that since her appointment Elizabeth Hall has delivered significant improvements in partnership with the Director of Finance to the Financial Management of the Alliance and West Mercia Police in particular, in all aspects. She has forged a very effective working relationship with the Director of Finance and provided a much improved level of support and advice to the PCC. Her independent scrutiny and challenge has tightened up financial forecasting and provided real independent scrutiny of the force's financials and accounting.

In short, Elizabeth Hall is working very effectively in her independent Treasury role. It has been decided not to advertise the post for the following reasons:

- Elizabeth Hall was appointed on merit to her current temporary role following a competitive process.
- Since her appointment she has performed very well and made a significant difference as outlined.
- The cost of the previous recruitment process was significant, particularly in terms of advertising costs.

Under Section 7 of the Local Government and Housing Act 1989 the PCC is required to appoint all staff on merit. This has been done as outlined above.

It would not be in the public interest to go out to interview and spend a further substantial amount of public money on the process, when Elizabeth is not only performing well, but has also formed professional relationships with me, my office and key senior members of the force.

It is on this basis that following advice from my Chief Executive I wish to appoint Elizabeth Hall permanently to the post.

3.7 Preferred Candidate – Elizabeth Hall

As is apparent from her CV, Elizabeth has extensive experience as a CFO / Section 151 Officer in local government. She has held a number of senior public finance roles with a number of local authorities since 1994. She is a qualified Accountant and member of CIPFA.

3.8 Terms and Conditions of appointment

The permanent appointment will commence on 1st August 2016.

The Chief Finance Officer post is at Grade N (Alliance Police Staff Pay Grade). The preferred candidate will continue to work 3 days a week, as now. Pro rata this equates to £51,822 per annum. This cost is covered equally by both Warwickshire and West Mercia PCC's, so the salary cost to each office is £25,911.

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.

The costs of expenses are to be split 50:50 between the two OPCC's.

4. Supplementary Information

Appendix A – Job description and Person specification

Appendix B – Interview Questions

Appendix C – Elizabeth Hall CV

5. Recommendation

It is recommended that the PCP considers the PCC's preferred candidate Miss Elizabeth Hall for the role of Chief Finance Officer to the PCC.