

## INTERVIEW QUESTIONS – ISSUES WHICH MAY BE RAISED

**Ron**      **Q1: What are the challenges and threats to the Strategic Alliance from the grant review consultation?**

- Some proposals could have implications for the Alliance as a whole (eg a formula which tended to shift resources towards urban areas or to increase funding for national or regional entities)
- Other proposals could have implications for one of the partners (eg changes which shifted the position significantly for either WM or W). Might this weaken the overall economic case for the Alliance, or make it more difficult for one of the partners to sustain the present commitments?
- If the potential outcome of the changes was that Council Tax levels in WM and W moved further apart, would this make it more difficult to justify the Alliance to the public?
- The Home Office proposals could introduce new methods of needs assessment. It is inevitable that this will result in variations compared to what individual PCCs receive now. Will there be any transitional arrangements or damping as under the existing arrangement?
- There is a risk that the Government will try to find ways of forcing PCCs to use reserves in the short term
- If the proposals introduced more freedom for PCCs to set Council Tax levels locally, would the strategies of the 2 PCCs be the same?

***(possible supplementary question: What are the features of a good grant system? )***

**Bill W      Q2: Explain the approaches you have used for medium term financial planning**

- Look at least 5 years ahead
- Rolling process- years 1/2 in detail, years 3-5 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/Crime 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 order to update/refine the strategies

**Bill W**      **Q3: The Alliance 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 Alliance 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

**Bill L**      **Q4: In an alliance like W and WM, a decision which represents vfm for one may not represent vfm for the other. How would you deal with the problem?**

- Invest time in building commitment, trust, openness etc at all levels within the Alliance, so that the first question isn't always *'how does it affect us?'*
- Having a clear long term strategy for the Alliance so that individual short term decisions are taken in that longer term context.....
- Good systems for evaluating costs and benefits (financial and non financial) of proposals, so that options can be evaluated and the implications for the Alliance and the partners individually are absolutely transparent; the situation to avoid at all costs is debates built on misinformation
- ....short term negative implications might have longer term benefits
- .....a short term 'cost' to one partner might unlock much wider benefits in that area later on
- As far as possible, follow a policy of 'for the greater good of the Alliance'. There are practical and political limits to this obviously, but over a period it should be that individual choices will balance out, for the overall benefit of the Alliance.

**John**      **Q5: The Police and Crime Commissioners and Chief Constables in Warwickshire and West Mercia share an Audit Committee. How would you maximise the benefit of that Committee to the organisations?**

**Ron**

**Q6: In line with many Forces, the Alliance has ambitious IT investment plans to both integrate systems across the Alliance and upgrade and improve them. What are the issues involved in tracking and realising the benefits of this investment?**

- Importance of preparing a comprehensive business case
- What is the improvement designed to achieve? (avoid ICT for ICT's sake....)
- What are the alternatives - could existing systems be modified? Does another Force already have a system which will do the job?
- Beware of replicating exactly what existing systems do – specific local features may be costly and not essential
- Establish a base position (financial costs; quality of output) to compare alternatives against and to monitor against)
- Be clear on the quality improvements which are aimed for
- Identify all upfront costs – staff; consultancy; hardware and software; cost of modifying other linked systems
- Establish a tightly controlled implementation arrangement
- Ensure regular monitoring of costs and progress
- Challenge any changes to the specification
- 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 Alliance 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

**John      Q7: Decision making in an organisation which has a primary role of governance can be complicated. Explain how you would expect the framework for making financial decisions to operate in that context**

- Clarity on the objectives for the Alliance
  - 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) so that decisions are in effect ratified in advance
- 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