

## **WEST MERCIA POLICE AND CRIME PANEL 4 FEBRUARY 2022**

### **CONFIRMATION OF THE CHIEF FINANCE OFFICER (TREASURER)**

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#### **1. Executive Summary**

- 1.1. The purpose of this report is to enable members of the West Mercia Police and Crime Panel (PCP) to consider the Police and Crime Commissioner's (PCC) proposed permanent appointment of a Chief Finance Officer (Treasurer).
- 1.2. 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.
- 1.3. The report provides an overview of the appointment process that was undertaken from July 2021 to January 2022 by the PCC to select the preferred candidate.

#### **2. Introduction and Background**

- 2.1 The previous Treasurer retired with effect from 30<sup>th</sup> November 2021. She had held the post part-time, providing services 3 days per week.
- 2.2 The Finance Manager supported the previous Treasurer as Deputy s151 Officer from November 2020, and as acting Treasurer in her absence from September 2021.
- 2.3 Experience over the last few years has shown that the PCC requires sound financial advice for all significant decisions, and these cannot always wait for a part-time post-holder to be available. The previous post-holder had at certain times of the year worked 5 days per week in order to meet the demands required of the role.
- 2.4 There is the additional complexity of the Chief Constable being required in law to have a Chief Finance Officer of their own, which could be shared between the PCC and Chief Constable. Consequently the capability could be provided by:
  - 2.4.1 sharing the services of an existing local authority director of finance, separate to the force's Chief Finance Officer
  - 2.4.2 having a shared treasurer between the Police and Crime Commissioner and Chief Constable
  - 2.4.3 having a Treasurer for the Police and Crime Commissioner, separate to the force's Chief Finance Officer
- 2.5 Each option was considered:
  - 2.5.1 Sharing the services of an existing local authority director of finance: this arrangement would draw in the services of a local authority director of finance to provide the treasurer expertise required by the Police and Crime Commissioner. All local authorities within the West Mercia area have been approached and none of them are in a position to provide such an arrangement.

- 2.5.2 Sharing a Treasurer between the Police and Crime Commissioner and the Chief Constable: both the 'Chartered Institute of Public Finance & Accountancy (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. A joint Treasurer/Director of Finance would be a full-time post, and, as such, would be available at all times. It could be argued that a joint post would improve the PCC's influence over the approach to financial management adopted within the Force. However, it wouldn't give the PCC control of this, as that legitimately sits with the Chief Constable. This would require closer integration of the Force Finance team and the PCC finance function. The PCC would lose a significant level of independence from the Force. There would be the potential for conflicts of interest and split loyalties between the two corporations sole. The PCC determined to retain a separate CFO (Treasurer) from the Force to ensure independence of financial advice and scrutiny.
- 2.5.3 Having a Treasurer for the Police and Crime Commissioner, separate to the force's Chief Finance Officer: this is the current situation and remains the preferred approach.
- 2.6 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.
- 2.7 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**

- 3.1.1 The Advertisement for a part-time role of CFO identical to the previous role was advertised between the 7th September 2021 and the 4th October 2021 on both the West Mercia Police and PCC websites; on Total Jobs where it was promoted as a Regional Job and Top Job; Indeed, Jora and Glass Door which are all free job websites that pick up adverts from elsewhere.
- 3.1.2 After no suitable applications were received, the post was promoted through the CIPFA recruitment service Penna from 11<sup>th</sup> to 30<sup>th</sup> November, both for permanent and interim applicants. Again, no suitable applications were received.

## **3.2 Role Profile and Person Specification**

3.2.1 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**.

## **3.3 Selection Process**

3.3.1 Attempts to recruit a Treasurer at the current grade part time were not successful, both on permanent and interim bases. The PCC therefore determined to restructure the Office finance team, delete the supporting Finance Manager post, and create a less-experienced but full time Treasurer post with commensurate salary. The PCC (and Force) Management of Change Policy was followed, so that the Finance Manager was notified their post was proposed to be made redundant and that they would be ring-fenced and invited to apply for the new Treasurer post.

3.3.2 The selection process used was a competitive interview. The interview took place at Hindlip Hall, Worcester, on Monday 24<sup>th</sup> January 2022 and lasted one hour. The Interview panel consisted of:

- John Campion (PCC for West Mercia)
- Andy Champness (Chief Executive)
- Bal Kumar-Pearce (West Mercia Police HR Recruitment Specialist)

## **3.4 Criteria used for selection:**

3.4.1 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 2)
- Experience of Governance and financial control (Questions 3,6)
- Experience of Audit (Question 4)
- Delivering value for money (Questions 5 and 6)

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

3.4.3 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).

3.4.4 At the end of this process the Paul Benfield was selected as the preferred candidate. References had been obtained for his original appointment as Finance Manager in 2020. As he is an internal appointment further references have not been obtained. Please refer to **Appendix C** for his CV. Please note this is a Closed item and not for publication.

## **3.5 Preferred Candidate – Paul Benfield**

3.5.1 As is apparent from his CV, Paul has extensive experience as in the public sector and local government. He is a qualified Accountant and member of CIPFA. Whilst he has limited experience at the most senior level, he has demonstrated both at interview and whilst covering for the vacant Treasurer post over recent months that he is capable of fulfilling the role.

### **3.6 Terms and Conditions of appointment**

3.6.1 The permanent appointment will commence on 7<sup>th</sup> February 2022.

3.6.2 The Treasurer post is at Grade L (Police Staff Pay Grade). This pay scale starts at £68,133 per annum.

3.6.3 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.

### **4. Supplementary Information**

Appendix A – Job description and Person specification

Appendix B – Interview Questions

Appendix C – Paul Benfield CV (Exempt Document)

### **5. Recommendation**

It is recommended that the PCP considers the PCC's preferred candidate Mr Paul Benfield for the role of Chief Finance Officer (Treasurer) to the PCC.

#### **Contact Points for this report**

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## Appendix A

## Job Profile and Person Specification

<b>POST TITLE:</b>	<b>Treasurer</b>
<b>GRADE:</b>	<b>L</b>
<b>DIRECTORATE:</b>	<b>Office of the Police and Crime Commissioner, West Mercia</b>
<b>RESPONSIBLE TO:</b>	<b>Chief Executive</b>
<b>RESPONSIBLE FOR:</b>	<b>Finance Officers</b>
<b>LOCATION:</b>	<b>Hindlip Hall, Worcester</b>
<b>JOB PURPOSE:</b>	<p>To be the principal advisor to the Police and Crime Commissioner (PCC) on the preparation of financial strategies to achieve the commissioner's objectives.</p> <p>To work with the Chief Constable and the Force chief finance officer to ensure that the PCC's strategies are resourced and implemented in a timely and cost-effective way.</p> <p>To ensure that high standards of financial governance and control are maintained for all aspects of the Commissioner's activities.</p> <p>This is a statutory role and the statutory responsibilities of the Treasurer are set out in the following legislation:</p> <ul style="list-style-type: none"> <li>• Paragraph 6 of Schedule 1 Police Reform and Social Responsibility Act 2011</li> <li>• Sections 112 and 114 Local Government Finance Act 1988.</li> </ul> <p>This role is the Section 151 officer for the PCC.</p>

<b>MAIN RESPONSIBILITIES:</b>
The Treasurer will provide professional advice on financial matters to the PCC, and will:
1. Be a key member of the Police and Crime Commissioner's Senior Management Team, working flexibly as directed by the Chief Executive to implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest
2. Lead on the development of the PCC's medium term financial plan
3. Be actively involved in, and able to influence, all strategic business decisions of the PCC, ensuring that all the financial implications, opportunities and risks are fully considered and align with the PCC's financial strategy
4. Ensure sound financial governance in the PCC's Office (OPCC) and Force, through the development of sound financial reporting frameworks and the OPCC risk management strategy
5. Provide advice on the levels of reserves and balances that is in line with good practice guidance
6. Lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded and used appropriately, economically, efficiently, and

effectively, and ensure that the finance function of the OPCC is resourced and fit for purpose	
7. Liaise with the force chief finance officer to advise the PCC and Chief Constable on value for money in relation to all aspects of PCC and Chief Constable / Force expenditure	
8. Ensure that effective monitoring arrangements are in place to retain a clear view on how Force budgets are being spent and adhered to throughout the financial year	
9. Ensure publication of the statement of accounts and other external reporting requirements of the PCC	
10. Lead on the development of the Treasury Management Strategy	
11. Closely scrutinise force saving plans to ensure that they are delivered	
12. Jointly, with the Force chief finance officer, manage the Internal Audit function and support the audit committee; and	
13. Any other responsibilities as required by the Chief Executive	
The Treasurer of the PCC is responsible for:	
14. Ensuring that the financial affairs of the PCC are properly administered and all financial regulations are observed and kept up to date	
15. Ensuring regularity, propriety, and value for money in the use of public funds	
16. Ensuring that the funding required to finance agreed programmes is available from government funding, precept, other contributions and recharges	
17. Reports to the PCC, the Police and Crime Panel, and to the external auditors any unlawful, or potentially unlawful, expenditure by the PCC or officers of the Police and Crime Commissioner	
18. Reporting to the PCC, the Police and Crime Panel, and to the external auditor when it appears that expenditure is likely to exceed the resources available to meet that expenditure	
19. Advising the PCC on the robustness of the budget and adequacy of financial reserves	
20. Ensuring production of the statements of accounts of the PCC	
21. Ensuring receipt and scrutiny of the statements of accounts of the Chief Constable and ensuring production of the group accounts	
22. Liaising with the external auditor	
23. Advising the PCC on the application of value for money principles by the police force to support the PCC in holding the Chief Constable to account for efficient and effective financial management; and	
24. Advising, in consultation with the Chief Executive, on the safeguarding of assets, including risk management and insurance	
<b>N.B.</b> The Treasurer of the PCC has certain statutory duties which cannot be delegated, namely: reporting any potentially unlawful decisions by the PCC on expenditure, and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts. The Treasurer is the PCC's professional adviser on financial matters.	
Special Conditions:	<ul style="list-style-type: none"> <li>• This post is politically restricted under the Local Government and Housing Act 1989 (as amended).</li> <li>• Travel throughout the West Mercia area and occasional travel across England and Wales</li> </ul>
Security level:	Management Vetting

## PERSON SPECIFICATION

### Knowledge:

#### Essential:

- Member of an accountancy body recognised by the International Federation of Accountants (IFAC), qualified through examination.
- Degree level or equivalent in an area related to public sector policy making or the management of resources

#### Desirable:

- Knowledge and experience of modern processes for the effective allocation of resources

### Experience:

#### Essential:

- Experience of managing large scale budgets in the public sector
- Proven negotiation and influencing skills within complex stakeholder relationships
- Recent direct experience of being involved in designing and monitoring sound and effective corporate governance arrangements
- Experience decision making on complex projects

#### Desirable:

- Recent experience within the Policing and Community Safety sector
- Proven experience of operating at a strategic level in a political and high profile public environment
- Recent experience of working at a strategic level with partner organisations to plan and deliver effective services
- Proven negotiation and influencing skills at a senior level within complex stakeholder relationships
- Experience of large scale financial appraisals

### Key Skills:

- Adhere to international standards set by IFAC on ethics and Continuing Professional Development

Author: Andy Champness, Chief Executive

Date: January 7<sup>th</sup> 2022

**INTERVIEW QUESTIONS – ISSUES WHICH MAY BE RAISED****Q1: What are the opportunities, challenges and threats to West Mercia from a funding formula review?**

- Proposals could have implications, eg a formula which tended to shift resources towards urban areas or to increase funding for national or regional entities
- 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?

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

**Q2: 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 order to update/refine the strategies

**Q3: 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?)*



**Q4: The Police and Crime Commissioner and Chief Constable in West Mercia share an Audit Committee. How would you maximise the benefit of that Committee 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

**Q5: In line with many Forces, West Mercia has ambitious IT investment plans to upgrade and improve IT systems and infrastructure. 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 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

**Q6: 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 for West Mercia
  - 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