

<b>Committee:</b> Resources, Risk & Estates Committee (RREC)	<b>Dated:</b> 1 February 2023
<b>Subject:</b> Chief Finance Officer (CFO) & Chief Operating Officer (COO) update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	1
<b>Does this proposal require extra revenue and/or capital spending?</b>	N/A
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> Commissioner of Police & Police Authority (PA) Treasurer Pol 14-23	<b>For Information</b>
<b>Report author:</b> Chief Finance Officer Chief Operations Officer	

### Summary

This report provides this Committee with an update on significant City of London Police (CoLP) / Police Authority (PA) Finance, Chief Finance Officer (CFO) and Chief Operating Officer (COO) matters and work areas in the last quarter.

### Recommendations

Members are asked to note the report.

### Main Report

#### CFO update

#### **Joint CFO role for CoLP and Police Authority**

As a reminder, the key objectives for piloting this role through to summer 2023 are:

1. To resolve major medium-term Police deficits and create a sustainable financial position.
2. To ensure delivery of the significant savings / mitigation plans - and strengthen the evidence base for demonstrating Force efficiency and effectiveness.
3. To ensure people and money resources (revenue and capital) are transparently aligned to priority 'Policing Plan' deliverables / services.
4. To overhaul capital programme (financial) management.
5. To improve CoLP decision support and provide more dynamic, dashboard-style reporting.

6. To transform Force financial capability and culture – building a high performing, high morale Finance team that will support and enable the overall transformation of CoLP.
7. To support the vigorous management of key risks and opportunities to CoLP arising from the Police Funding Formula Review.

The main Finance focus in the last quarter has been on driving progress towards setting a balanced budget for 23/24 in an inflationary environment and linked to this, on the need to put CoLP's funded work on a stronger, full-cost recovery footing wherever possible. These matters are covered in detail in the budget and income strategy papers included on this agenda, along with the Q3 monitoring report for 22/23.

### **CoLP Finance Team**

The Finance Team is stabilising around a senior core of two Deputy CFOs and 4 Business Partners, which is enabling improvements to be made to in-year monitoring, budget building, alignment to workforce planning and financial support to key strategic developments. Transactional finance remains under strength and, as well as correcting resource levels, there is a need to better understand the underpinning demands and processes and apply better technological solutions wherever possible. There have been unavoidably higher demands this year in adjusting to the new TOM cost centre structure which are now reducing through application of an automated mapping model and more regular use of new codes.

### **Savings / Mitigations**

The 22/23 budget incorporated £7.7m of cumulative savings from prior years, while adding £6.1m additional mitigations as part of the settlement which included the BRP increase. The £6.1m target is expected to be achieved, as set out in the Q3 report. Sustaining £1m of these savings into future years is dependent on workforce modernisation outcomes. In the interim, this saving is needing to be met through vacancies.

The budget paper on this agenda sets out a further £8m of mitigations in 23/24 which are required to offset higher inflationary and other pressures. Sustaining prior year savings and delivering this increase will represent a significant challenge and risk to Force finances which will continue to be closely monitored.

### **Capital**

While improvements are being made to capital management (including starting to institute more robust business case and whole life costing processes), there is a need for the Portfolio Review and Prioritisation work to be developed further before informed assessments of budgetary requirements can be submitted.

### **Strategic Support**

Other areas on which Finance has been supporting developments include:

- The new Business Planning process for 23/24 - to ensure resource allocation optimises achievement of Policing Plan priorities and the management of policing demands.
- Corporate Services review - to ensure an affordable, efficient and effective staffing model is baselined.
- Development of contracts tracker / procurement pipeline – to strengthen compliance with regulatory requirements, improve understanding and control of non-pay costs and enhance savings plans. Linked to this, CFO is involved in Force engagement with Rail Delivery Group on the Officer Rail Travel scheme and with TfL.
- CIPFA / HMIC Police Objective Analysis (POA) survey – to allocate workforce and financial data against standard, functional ‘policing’ and ‘business’ categories, which in turn will support VFM benchmarking work.
- Financial elements of the Police Accommodation Strategy.

## **Policing Funding Formula Review**

Home Office Ministers have confirmed a commitment to continuing with the review and officials are preparing for a first public consultation in “early 2023” (which is awaited). The consultation will set out the “broad principles” of the Review and consult on the purpose, structure and components of the new formula. The Review Team has recently contacted CoLP, to arrange a meeting to build a deeper understanding of CoLP’s funding, demands and pressures, prior to this first public consultation.

Additionally Home Office will arrange a series of regional roadshows during the consultation period to present the work undertaken over the course of the review, offering a chance for colleagues to discuss and ask questions.

## **Force Financial Culture Development**

Assistant Commissioner (Operations & Security) and CFO continue to partner in chairing / vice-chairing the Force’s Strategic Finance Board (Sub-Committee of Chief Officer Team), which includes senior representation from across business areas and is aimed at increasing senior awareness, oversight and ownership of finance matters.

The Force’s budgetary accountability framework and culture will continue to be developed, with the new Business Planning process for 23/24 offering the opportunity to also incorporate operational delivery / performance into the framework.

## **COO Update**

### **Corporate Services Review**

The Corporate Services review has been the COOs top priority in the last quarter. All Heads of Departments have had the opportunity to propose their designs – against set design principles, with a strong focus on outcomes, with independent oversight

from expert consultants and with challenge from the Programme Board. A first session of Heads of Department presenting to COT has been held with further ones diarised in the next 2 weeks, to ensure a top-down perspective is overlaid. Following that the proposals will be aggregated into a consistent format, fully costed and impacted. Proposals will be brought to Police Authority Board (PAB) in the first instance.

### **Change Portfolio Office**

Our Change Portfolio Office remains a very challenging function with 75% roles currently vacant. Recruitment is being prioritised and fast tracked to enable the Portfolio Prioritisation work to be concluded and robust plans and sequencing developed for the priorities.

### **Strategic Development**

As of 2023 the Strategic Development team has delivered on completing the refresh of the Policing Plan for 23-24, delivered the Force Management Statement 2022, provided strategic support to the 2022 PEEL inspection, and developed a business planning process to provide a strategic delivery framework for financial and workforce planning to meet the needs Policing Plan objectives. The business planning process for the 23/24 period has been completed and the strategic development team will now be leading a review of the process to inform best practice for the 24/25 cycle.

Alistair Cook  
**CFO**

Mari Ladu  
**COO**