

Committee: Resources, Risk & Estates Committee (RREC)	Dated: 27 November 2023
Subject: Chief Finance Officer (CFO) and Chief Operating Officer (COO) update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Commissioner of Police Pol 135-23	For Discussion
Report author: Alistair Cook Chief Finance Officer and PA Treasurer & Alix Newbold, Interim Chief Operating Officer	

Summary

This report provides RREC with an update on the main CFO and COO issues and areas of development from the last quarter.

Recommendations

Members are asked to note the report.

Main Report

Corporate Services Review

Consultation on Corporate Services proposals closed on 27 October. 47 alternative proposals were received across 5 of the 9 departments. Feedback was also received from Corporation heads of profession. Alternative proposals are informing the final design with a number of recommendations being accepted where there is business rationale, and they can be achieved within the same financial envelope. The final model will be agreed by the chief officer team on 17 November with implementation commencing from 27 November.

23/24

The Q2 monitoring report has been prepared for this meeting (public agenda). Key message is that major inflationary and pay award pressures are being absorbed this year due mainly to police staff vacancies - which arise from previous prioritisation of officer recruitment, finalisation of Corporate Services Review consultation and lead time in recruiting to other staff roles. However, without further mitigation action, downstream deficits will quickly grow as staffing levels rise towards establishment.

Capital spend is still tracking well below annual budgets. The vast majority of funding this year is for FCCRAS, for which significant milestones arise later in the year. Also, while spend on smaller projects is currently zero, commitments are being made, some of which should feed through in Q3. In response to a Member comment at the September RREC, capital reporting will be evolved for 24/25 - in alignment with portfolio prioritisation and planning outcomes (see separate item on this agenda from the Director of Change).

Workforce planning

A recruitment plan for police staff has been developed which aims to achieve full establishment for police staff by November 2024. This will be facilitated by a temporary uplift in recruitment and vetting officers and an advertising campaign by the agency used for the Police Uplift Programme to be launched early in the new year for key roles. This plan sits alongside the police officer recruitment and retention plan to maintain numbers. A comprehensive training and skills analysis is underway to inform future planning.

A Retention & Exiting Board has been established to deliver an assessment of the quantitative and qualitative information concerning leavers to identify proactive action that supports retention. This work is informed by the National Leavers Framework rolled out as best practice by the National Police Uplift Programme and learning from other forces.

MTFP

An MTFP update has been prepared for this meeting (non-public agenda) and includes a proposed funding envelope for 24/25 within which, if acceptable, the detailed budget for 24-25 will be developed for February 2024 RREC and PAB meetings. Confirmation of 24/25 Government funding assumed in the MTFP will come through the (provisional) Police Settlement, normally announced in December.

Funded Work

An extensive amount of work has been conducted in the last quarter to progress assessment of full costs for National Lead Force work and kick off engagement with Home Office on the inflationary and other gaps from (what are in many cases) 'flat cash' grants. The results of this work – along with 24/25 grant funding outcomes – will be reported into RREC and PAB in February 2024 (in support of the overall budget proposals).

Inflationary and other increases have or are also being built into new agreements for the (Commercial) Funded Units, TfL and Bridge House Estates.

The importance of this work to sustainable Police finances in a high inflationary environment cannot be overstated.

Change

The new Director of Change is leading a review of all current and pipeline projects and assessing them against a refreshed prioritisation scoring matrix and developing an extensive portfolio and resourcing plan. A more detailed overview of this work by the PMO Director is on the agenda for this committee.

A top priority for the coming months is to ensure that change priorities are confirmed, underpinned by properly costed business cases and sequenced in a way that is both deliverable and affordable (both for capital and downstream revenue).

While it is a Corporation run and funded programme, CFO has been working closely with Corporation colleagues on the Future Police Estates programme, to help facilitate a shared understanding of the emerging financial picture for the full range of police functionality.

Savings / Mitigations

Per the Q2 report, the projection is that the £8.6m mitigation target will be achieved this year (noting some fluctuations between different elements of the plans).

The MTFP update also provides information on the 'cumulative' savings position and shows that CoLP savings plans have been proportionately well above the national policing average for at least the last two years.

CoLP Finance Team

A senior team of 2 Deputy CFOs and 5 Business Partners has bedded in and, in the CFO's opinion, is starting to make a big difference to CoLP financial management, reporting and insight. A wide range of legacy issues have or are being addressed, recognising full transformation is not a short-term venture and will require systems, process and cultural improvements to be fully effective.

Building on this platform, the Corporate Services Review implementation includes the need to plug existing gaps, with some supplementation, to better support the level of complexity of CoLP's National work along with significant transactional demands and issues.

Force Financial Culture Development

With strong leadership and governance from the top being in place, work has been underway to embed financial culture more consistently throughout the organisation.

For budgetary and transactional management, Finance has been working closely with Management Teams to provide information, advice and learning, identify and address exceptions and improve compliance. Improvements are starting to flow, with Strategic Finance Board and Chief Officer Team actively overseeing progress.

Finance has also been working closely with funded areas to start building a clear line of sight between complex grant arrangements, affordable resourcing levels and deliverables / outcomes. It will continue to work with Corporate Strategy on developing

a clearer line of sight between resource allocation and strategic priorities and operational demands.

Additionally Finance is endeavouring to provide stronger financial support to the change prioritisation and planning work, in partnership with PMO, Project Managers and others.

Finally, the Corporation's Commercial (Shared) Services team has been providing excellent support and advice on a wide range of Force procurement requirements, enabling a significant reduction in cases of non-compliance.

Alistair Cook
Chief Finance Officer/ PA Treasurer

Alix Newbold
Interim Chief Operating Officer