

Committee: Resources, Risk & Estates Committee (RREC)	Dated: 18 September 2024
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 & Police Authority (PA) Treasurer	For Information
Report author: Chief Finance Officer & Chief Operating Officer	

Summary

This report provides RREC with a brief 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

Current Year Finances

1. Significant cost pressures and risks have arisen from the:
 - revised implementation plan for the Fraud & Cyber Crime Reporting & Analysis Service (FCCRAS) programme and consequent requirement to extend the existing service
 - reduction in funding from the Economic Crime Levy
 - pay awards and increase to the maximum London Allowance (currently awaiting confirmation of CoLP's additional funding allocation for core and national officers)
 - operational demand pressures (including for protests, events, Administration of Justice, CCTV and increasing accreditation and quality management requirements)
 - impacts of change (including potential increases in Command & Control run costs)

2. The Q1 report to this meeting shows the known pressures built into the forecast (the significant ones of which are time limited rather than continuous) being offset by continuing high levels of police staff vacancy (unplanned), increased overhead recovery arising from the £7m increase in National Lead Force funding and application of budgetary provisions and earmarked reserves. This enables a balanced outturn position to be forecast.
3. While the majority of capital spend relates to the FCCRAS programme, other change priorities are now being matured, with project delivery being taken forward on a number of them. Where they relate to national policing programmes, some of which have slipped, other priorities have been brought forward as proposed replacements.

Medium-Term Financial Plan

4. The MTFP is currently balanced, taking account of profiling of the 2024 Business Rate Premium increase to close off the residual deficits over the medium-term. The Budget Survey paper on this Committee's agenda shows how CoLP's finances compare with the forecast, declining police finances nationally, while also identifying a range of significant risks (as well as potential opportunities) to medium-term finances. These will be further assessed prior to an updated MTFP being submitted to the November RREC meeting.

Spending Review (SR)

5. CoLP's understanding is that an initial one-year SR process is being run for 25/26, with the outcome to be announced in the Budget on 30 October. As part of this HM Treasury are fast tracking the submission of indicative growth bids, on which CoLP's National Lead Force is engaging with Home Office counterparts. A multi-year SR process for 2026/27 and beyond will then be run in the Spring. Engagement is in train with MOPAC with a view to City supporting its case on increases to the National & International Capital City (NICC) grant.

Force Finance Team

6. While the Finance team has continued to develop and improve the impact and value it is bringing, it remains a small team and there have been two departures in recent weeks (both career development related) which have reduced capacity to about 50% for both business partnering and transactional functions. Priorities and expectations are being carefully managed, while recruitment takes place, for which two new starters are expected imminently.

Force Financial Culture

7. In the last quarter the Strategic Finance Board has majored on overseeing the strengthening of ownership of budgetary management and forecasting. This has included all senior budget holders reporting on their 2024/25 budgets, underpinning workforce and other assumptions, the work priorities it does and does not deliver and the key risks and opportunities involved. This has set improved baselines against which budget holders can report on their quarterly

monitoring and forecasting outcomes. Building on this, the implementation of the new Corporation Enterprise Resource Planning system, though still some way off, is expected to provide improved, user-friendly, self-service access to budget holders for information, analysis and reporting purposes.

Productivity

8. Productivity will be a key focus to manage rising demand within a financial constrained environment. Productivity involves delivering the same, or improved public outcomes, while saving officer and staff time through more efficient processes and use of technology.
9. A number of change projects are aimed at achieving these types of productivity gains. This includes a review of joiners, leavers and movers processes, vetting and control room processes. A pilot of auto redaction technology is being rolled out to improve investigator productivity which has saved 118 hours of operational officer time in the first 6 weeks.
10. We are engaging with the Policing Productivity Review team and seeking good practice from forces to mature our approach and productivity plans, working in partnership with the police authority team.

Business planning

11. The annual business planning cycle has commenced. The process is used to assess future demand and capabilities and inform decision making about organisational priorities and risk, potential for productivity gains, and allocation of resources to maintain service levels in each business area. The process also supports the production of the Force Management Statement (an HMICFRS requirement) which has seen significant improvements in the last 2 years.

Data improvement programme

12. A data improvement programme has been established to improve the way data is used. New dashboards are being rolled out to make data more accessible to officers and staff and the programme of work includes cultural change, upskilling and technology workstreams and includes the data platform project currently underway.

Pensions

13. Work to implement the McCloud remedy continues in partnership with the Corporation Pensions Administration team. Communications and guidance has been provided to officers. A new pensions portal has been rolled out so officers can access their remedial service statements and annual benefits statements. New processes are being designed for contribution adjustments, contingent decisions and compensation payments in line with NPCC advice.

Future Police Estates Programme

14. Internal audit are undertaking an audit of the FPEP programme to provide assurance that, at a programme/portfolio level, solutions are appropriately and fully incorporated to meet identified operational requirements.
15. We are supporting City Surveyor's department to identify suitable locations for mounted branch and a community interface counter in the east of the City.
16. We continue to engage with our potential partner for the firearms training facility while the feasibility study is concluded. The appetite for collaboration remains strong from both parties.

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