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**WORKING IN PARTNERSHIP TO DELIVER  
FINANCE EXCELLENCE IN POLICING**

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Finance and Co-ordinating Committee  
and CIPFA proposal to NPCC

NOVEMBER 2017

## Our Vision

### ***“Delivering Finance Excellence in Policing”***

Policing in England and Wales is a £13billion ‘business’ and must strive to achieve the highest standards of financial excellence. This is particularly critical at a time of financial challenge, with the associated levels of scrutiny and challenge being experienced at both local and national levels.

Financial management can be defined as “the system by which the financial aspects of a public body’s business are directed and controlled to support the delivery of the organisation’s goals”. In other words, it is as much about delivering an organisation’s strategic objectives, as managing its money. It is the basis of accountability to stakeholders for the stewardship and use of resources.

Aspiring to excellence is to agree a course of action that would ultimately allow us to compare favourably with other organisations, predominantly within the wider public sector. Partnering with CIPFA will allow us to both compare and learn from others, as part of our continuous improvement.

Developing the “Financial Excellence in Policing” agenda has been primarily driven from within the Finance and Coordinating Committee of NPCC but is equally owned by the Police and Crime Commissioners Treasurers’ Society (PACCTS). It is aimed equally at the Chief Finance Officers (CFOs) supporting Chief Constables and those supporting Police and Crime Commissioners; but with the recognition that some 95% plus of the spend falls to the accountability of the CFO under the Home Office codes. Targeting investment here will clearly give the best return.

This agenda will be delivered through a comprehensive and continually developing programme that supports Forces – both individually and collectively – to deliver the best possible financial management within the public sector. It is based upon approaches already working within the wider public sector and aims to bring together many of the disparate offers already available through CIPFA, albeit with a sharper focus on Policing as a significant sector with specific needs. In effect, Policing would expect to see CIPFA to develop and shape its offer to specifically support the sector, rather than expecting individual CFOs to navigate an offer more focused on other sectors, such as Local Government and Health.

It is also intended to develop the financial excellence agenda in support of the Fire Sector and in particular, stand-alone CFAs and CFAs reporting to PCCs. However at this stage this high level proposal is purely focused on policing.

## The Proposed Approach

Working with CIPFA and with the support of the NPCC, CIPFA and Police CFO leaders propose 10 key inter-linked areas of focus, set out as follows:



### FINANCE EXCELLENCE IN POLICING



**BUILDING NATIONAL CAPABILITY**

**PROVIDING LOCAL SUPPORT**

The proposed approach can be divided into **two key strands**:

## **A BUILDING NATIONAL CAPABILITY**

- build the programme management office (PMO) to drive the programme forward within appropriate governance
- create a dedicated 'Police CFOs leadership Academy' to enhance the personal effectiveness of existing and prospective CFOs
- improve current comparative data and develop broader analytical and diagnostic capacity to help the sector deliver and demonstrate value for money
- expand the existing CIPFA Police and Fire Network to become an extensive Resource Hub for the police finance family
- consult on standard financial management and reporting templates to support financial information for decision making

## **B PROVIDING LOCAL SUPPORT**

- provide a Local Financial Management effectiveness diagnostic tool
- supporting and managing key Apprenticeship opportunities
- provide tailored Finance Business Partnering training for those financial professionals undertaking or hoping to undertake these roles
- provide a structured approach to CFO peer support
- improving accounts closedown processes, efficiencies and outputs
- specialist finance training at all levels of the organisation

Taken together, this would position the financial excellence agenda as 'best in class' across the public sector.

**The most important success factor will be that the whole agenda is owned and driven, with the support of Chiefs, by Police CFO Leaders.**

Many of these areas are expanded on below in terms of their value-added and options for delivery. Some elements already exist within the CIPFA solutions set but other elements will be specifically developed/adapted to achieve the vision.

Both strand 1 and strand 2 would be coordinated by a dedicated Project Management Office (PMO).

## A BUILDING NATIONAL CAPABILITY

### 1. Project Management Office

To provide coordination and programme management it is proposed to establish a PMO involving a 0.5 FTE from CIPFA and 0.5 FTE from Policing, via a secondment, for initially one year. The key deliverables will be supporting the overall governance of the agenda but also providing a clear specification for the development of the strand one capabilities discussed above. This includes the exploration of other collective capabilities, such as CFO peer support, shared services protocols and the extension of the excellence agenda into Fire.

The PMO could be hosted by CIPFA or a lead Force.

**INVESTMENT REQUIRED**

**£80,000**

*Based on an initial one year of support (secondment details TBA)*

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### 2. Dedicated Finance Leadership Academy

The CIPFA CFO Leadership Academy for Local Government is one of CIPFA's flagship service development offers for serving or prospective CFOs. The programme helps improve the candidate's ability to work with, and influence: senior colleagues, staff and peers in their own and partner organisations. It is about how the individual uses and develops their personal impact skills to match the evolving CFO role and to match their own aspirations.

The programme is made up of a mixture of informative and practical input from leading thinkers and practicing CFOs together with a core sequence of Action Learning that provides practical exposure to the latest thinking on leadership and personal impact. The format is three whole-cohort workshops punctuating the five Action Learning Set meetings in which sub-groups of 6 – 8 work on their real workplace leadership challenges and dilemmas.

The Police CFO Leadership Academy would be designed specifically for Policing. While some material could be recycled from the local government modules there will be a clear requirement for significant and new design to reflect the specific challenges of Policing.

The intention would be to run bespoke cohorts for the police sector to allow some flexibility for dates and location. The proposal is to allow at least one delegate per Force and the initial design and assembling of specific content.

**INVESTMENT REQUIRED**

**£120,000**

*Any additional and future places to be charged at £2,500 per person.*

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### 3. Police Data Analytical Services

Whilst there are plentiful sources of data about police forces, there remain large gaps in many important areas, particularly around the back-office, middle-office and specialist areas such as forensics. In addition the pre-existing protocols tended to focus on the cost rather than the performance dimension

CIPFA, in conjunction with the NPCC's Finance and Co-Ordinating Committee, are developing a new broader approach to comparative data analytics to meet this requirement which is:

- Governed by the sector and driven by a management board and sub groups, each with a chair and appointed set of members
- Covering an agreed number of subject areas, which will grow over an initial three year period and cover the breadth of police services
- Delivered by CIPFA's expert benchmarking professionals, who lead development and delivery of all outputs and provide project management and administrative support
- Focused on cost and performance improvement for the sector

Initial work is focused upon understanding the existing data collected, the potential impact of future requirements such as Force Management Statements and what Forces actually require to support good decision making. This work is underway and used to design the future approach, including POA and benchmarking.

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**INVESTMENT REQUIRED**

**£0**

*This work is being supported by existing funding made available through the National Commercial work, sponsored by the Police Transformation Board.*

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#### **4. Common Shared Finance Protocols / Templates**

As well as reviewing the data being recorded by Policing, there is scope to explore the potential for developing a series of common protocols or templates. This could cover enhanced financial information reporting for decision making as well as protocols for core financial processes and transactions in a shared service setting. The intention would be signpost Forces to best practice and subsequently allow for improved comparative benchmarking to be available to support improvement.

In due course, where protocols are agreed this could facilitate any move to increased shared services solutions across the policing sector with the efficiency benefits that would flow.

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**INVESTMENT REQUIRED**

**£0**

*If supported, this work would be supported by existing funding made available through the National Commercial work, sponsored by the Police Transformation Board.*

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#### **5. Resource Hub**

CIPFA already run a well-regarded Police and Fire Network aimed at the finance professional in those two sectors. There is no need for this to be fundamentally altered but it would clearly make sense to align this to the overall programme, ensuring this specifically takes account of the wider excellence vision as well as current support for topical issues affecting policing.

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**INVESTMENT REQUIRED**

**£0**

*This work is an existing service from CIPFA, but we can do more to make these resources accessible and understood.*

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## 1. CIPFA Financial Management (FM) Diagnostic Tool

CIPFA's Financial Management Model (FM Model) can help drive effective performance in financial management throughout an organisation.

An internationally recognised framework and diagnostic tool, it enables organisations to self-assess their financial management against world class financial management best practices in the public sector in order to optimise systems, processes, resources, compliance and reporting.

The FM Model helps organisation identify or substantiate weaknesses (as well as confirm strengths) and then help develop and implement a target-driven improvement plan and allows progress to be closely tracked and measured.

It will benchmark the organisation's financial management against best practice; raise effectiveness and confidence in stewardship, performance and the ability to implement change. It focuses on financial management capability across the whole organisation and helps pinpoint priorities for change.

It is the only public sector specific financial management framework and diagnostic tool and it includes a powerful online assessment tool for flexible, convenient self-assessment.

It has been developed by the standard setters in public finance and accounting and has now been used by over 400 bodies across the public sector.

Forces can both purchase a license and run a self-assessment or CIPFA are able to help facilitate some or all of the process depending on their needs. The latter allows for an independent external view as well as less pressure on internal resource to manage the process.

A key benefit of all Forces using the FM diagnostics would be the creation of an invaluable source of peer-to-peer knowledge of the current self-diagnosed position of each Force and PCC office in comparison with all Forces.

A license for access to the CIPFA FM Model is normally £5,000 for a period of 24 months. CIPFA are also able to help with facilitating the process in each force, which can range from assisting with set up through to rolling out the whole process. CIPFA's discounted day rate for consultancy is £1,000.

### INVESTMENT REQUIRED

**£25,000 per Force**

*The cost per force at the lower end of support, which assumes the license and 20 days of support, would be £25,000*

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## 2. Finance Business Partnering

Finance professionals in the public sector have developed their role by evaluating how they can best support their organisations in a strategic as well as operational sense. This adaptation to their role has enhanced the relationship between finance and non-finance professionals across the organisation, with finance professionals earning their position and putting finance at the heart of decision-making.

CIPFA has developed an accredited qualification to support this approach and in particular to develop the different skill sets and approaches required to operate effectively as a finance business partner (FBP).

The qualification offers a unique blend of online and classroom based training as well as providing refresher guidance on some of the technical/professional skills required of a finance business partner.

Completing the qualification offers a Post Graduate Certificate (level seven) in Finance Business Partnering, as well as the opportunity to apply for CIPFA Affiliate membership.

CIPFA can run course cohorts around the country. This can be run on site for a single force depending on numbers clearly but also in clusters/regions for neighbouring forces.

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**INVESTMENT REQUIRED**

**£2,200 per Delegate**

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### 3. CFO Peer Support

In relation to Peer Support, CIPFA have developed a CFO peer led approach to undertaking Financial Resilience Reviews in local government. This is proving most effective and well regarded. The intention would be to explore the potential to develop a similar methodology but specific to policing. This would be a new development with the sector. Similar to the Resource Hub, it is proposed that the PMO explore the potential, cost and methodology to develop a case and a further funding bid – either to the transformation fund or via an additional subscription from forces.

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**INVESTMENT REQUIRED**

**TBA**

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### 4. Accounts Closedown ('Big Red Button')

CIPFA Closedown (also referred to as 'Big Red Button') is a cloud-based software designed to add value to the finance function by improving the annual Accounts Closedown process and generating a complete Statement of Accounts at 'the press of a button'. The outputs are fully compliant with the Code of Practice on Local Authority Accounting in the United Kingdom, prepared by the CIPFA/LASAAC Local Authority Code Board and the product benefits from regular updates and support from CIPFA.

Benefits of using the system include:

- Process Automation – The built-in data flow mechanisms will radically reduce the need for repetitive, time-consuming manual tasks, reducing the likelihood of user errors while simultaneously ensuring data consistency.
- Driver for an enhanced finance function – The finance team will benefit from existing resources being freed up for other objectives, allowing staff to focus on more engaging tasks, enhancing local knowledge and unlocking career progression opportunities.
- Transparency – Changes are tracked, ensuring a full audit trail backed by the option to add external evidence and relevant documents. Temporary read-only access can be arranged for external users, such as auditors.
- Sector-Specific Solution - The system was designed, built and is implemented by qualified Public Finance Accountants with years of experience in Local Government Accounts Closedown processes. Ongoing Support from CIPFA Experts is available throughout the lifecycle of the project with training days, guidance documents and ad-hoc assistance.



- Compliance with Relevant Standards – The system is designed to be fully compliant with the CIPFA/LASAAC Code of Practice. Annual Code of Practice changes and updates are built-in by CIPFA in each financial year.

The system was designed as a comprehensive yet flexible tool and provides several additional functions such as project management and timetabling features, validation checks, different user access roles and easy to perform on-system adjustments.

**INVESTMENT REQUIRED**

**c£18,000 per Force**

## 5. Apprenticeships & Specialist Finance Training

Working through the PMO, CIPFA can introduce a range of Finance training options covering a full spectrum of professional development. This includes core and basic skills through to support with specialist finance activities, management, business partnering and finance leadership. These can be developed to meet the specific needs of each Force, and we also expect to be able to develop cost-effective solutions by combining needs across Forces where appropriate.

### **CIPFA’s accountancy apprenticeships**

CIPFA Education and Training Centre (CETC) will be offering the following accountancy apprenticeships:

- Assistant Accountant (Level 3)
- Professional Accounting Technician (Level 4)
- NEW Professional Accountant (Level 7)

#### *New Professional Accountant Standard*

- For the first time trainees will be able to study their CIPFA Professional Accountancy Qualification as part of the new apprenticeship

#### *Utilising the apprenticeship levy*

- All of these apprenticeships are eligible for levy funding in England, meaning the full cost of the training (excluding exams) can be met by employers’ levy fund.

In response to the introduction of the apprenticeship levy, CIPFA will be offering the new accounting apprenticeship standards suitable for all aspiring public finance professionals. This presents Forces with a range of options to take advantage of Levy funding.

**INVESTMENT REQUIRED**

**TBA**

## Overall Governance

It is proposed that each key element will have its own dedicated project management as is now the case with Data Analytics, comprising CFOs from both APCC and NPCC, supported by CIPFA and with the relevant lead contact from CIPFA but also key stakeholders relevant to the focus of the specific stream. The PMO will provide a key link between each project board and overall governance arrangements.

It will be crucial to agree and ensure NPCC in particular, but also APCC, are comfortable with the key overall governance arrangements and below is outlined in that context and for consultation. For different reasons, individual streams could be reporting in their own right in the NPCC Finance Coordinating Committee.

However, it is proposed that a reconstituted CIPFA Police and Crime Panel maintain a strategic overview of the progress of each of the streams and the overall excellence agenda. Accordingly the Panel meetings, three times a year, would devote a major part of its time to progress on the individual elements of the excellence agenda. The PMO will help support this. The Panel membership would always ensure the lead CFO on the NPCC Committee is a member of the Panel. The Panel as now would have CIPFA, PACCTS and Force CFO Reps, but also invited reps from Home Office and HMIC, to provide oversight and challenge of the overall programme.

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## Next Steps

If supported by Chiefs, the next steps would be to discuss with College of Policing to ensure this initiative is fully aligned. A programme management office will be established to drive the various strands forward with immediate emphasis on identifying 43 existing or aspiring CFOs to undertake the leadership academy.