

<b>Report title:</b> Proposed Designation of the PFCC's Chief Finance ("Section 151") Officer	
<b>Report to:</b> Essex Police, Fire and Crime Panel	
<b>Report author:</b> Roger Hirst (Essex Police, Fire and Crime Commissioner)	
<b>Date:</b> 3 February 2022	<b>For:</b> Recommendation by the Panel
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<b>County Divisions affected:</b> All Essex	

## **1. Purpose of Report**

The PFCC is required always to have in place a Chief Finance Officer (CFO) to be responsible for the proper administration of their financial affairs, who must be a member of an accountancy body specified in section 113 of the Local Government Act 1998. Following the recent resignation of the current Chief Finance Officer, the PFCC now needs to designate an alternative CFO to assume these statutory responsibilities with effect from 16 March 2022.

The PFCC is required to notify the Panel of their proposed designation, along with the information set out under the sub-headings in section 3 below. The Panel is required to review the proposed appointment via a confirmation hearing and to make a report to the PFCC, including a recommendation as to whether the proposed appointment should be made. The purpose of this report is to assist the Panel in this process. Both the PFCC and the candidate will be attending the confirmation hearing to answer any questions posed of them by the Panel.

The PFCC may either accept or reject the Panel's recommendation and must notify the Panel of their decision.

## **2. Recommendations**

That the Panel:

- Reviews the proposed designation of the PFCC's existing Strategic Head of Performance and Resources, Janet Perry ("the candidate"), as their Chief Finance ("Section 151") Officer with effect from 16 March 2022, and
- Makes a report to the PFCC in this regard, including a recommendation as to whether the designation should be made.

### **3. Context / Summary**

As set out above, the PFCC is required always to have in place a Chief Finance Officer to be responsible for the proper administration of their financial affairs, who must be a member of an accountancy body specified in section 113 of the Local Government Act 1998. Such person fulfils the duties outlined in section 151 of the Local Government Act 1972 on behalf of the PFCC (so is often referred to as “the Section 151 Officer”) and is the PFCC’s lead professional advisor on financial matters under section 73 of the Local Government Act 1985 and section 112 of the Local Government Finance Act 1998.

The role of the PFCC’s Chief Finance (“Section 151”) Officer is currently fulfilled by their Head of Finance, who reports to the Strategic Head of Performance and Resources. The Head of Finance has however recently resigned the role and is due to vacate the position in order to take up another opportunity on 15 March 2022. This has created an opportunity for the PFCC, together with their Head of Paid Service, to review the financial support provided to the PFCC. It also creates an opportunity to respond to the findings of the Financial Management Capability Review (FMCR) carried out by CIPFA in 2020 as part of the Achieving Finance Excellence in Policing (AFEP) programme of work that Essex has signed up to. Whilst the report identified specific strengths relating to the clear leadership of finance across both the PFCC’s office and the force, the robust governance, assurance and risk management arrangements that are in place, and the high calibre of the respective Finance teams, it also commented that the positioning of the Chief Finance Officer role was “sub-optimal” and recommended that this be reviewed.

The only legal requirements associated with the designation of the PFCC’s Chief Finance (“Section 151”) Officer are that the candidate must be a member of one or more of the bodies stipulated in section 113 of the Local Government Finance Act 1988, and that the Chief Finance Officer cannot be the same person as the Monitoring Officer. Given that the PFCC has an existing member of their Senior Management Team (SMT) with protected employment rights who meets these criteria, the PFCC proposes to waive the full recruitment process set out in the Constitution that is followed when an existing post becomes vacant and designate their existing Strategic Head of Performance and Resources as their Chief Finance (“Section 151”) Officer with effect from 16 March 2022. As the Strategic Head of Performance and Resources, Mrs. Perry is already responsible for (amongst other functions) providing strategic, professional advice and guidance to the PFCC covering all aspects of financial management and performance, and for supporting the PFCC and the Chief Finance Officers to both Essex Police and the Essex County Fire and Rescue Service in developing and delivering the PFCC’s overall strategic financial vision and strategy. She already supports the PFCC in scrutinising and evaluating business cases, benefits realisation trackers and post-implementation reviews of major projects, in order to inform appropriate resource allocation and investment decisions and ensure that lessons learned from major projects inform future activities and initiatives.

The PFCC’s designated Chief Finance Officer has a personal fiduciary duty to local taxpayers as they have responsibility for securing the efficient use of public funds, including revenue derived from the police precept. This includes requirements and formal powers to safeguard lawfulness and propriety in expenditure under section 114 of the Local Government Finance Act 1998, as amended by paragraph 188 of Schedule

16 to the Police Reform and Social Responsibility Act 2011. The Accounts and Audit Regulations 2015 impose further responsibilities. Taken together, and considered in the context of the Policing Protocol 2011, this means that the PFCC's designated Chief Finance Officer has several duties and accountabilities, including:

- Responsibility for the strategic direction and scrutiny of the PFCC's budget, including advising the PFCC on the robustness of the budget and the adequacy of financial reserves.
- Ensuring that the financial affairs of the PFCC are properly administered and that financial regulations are observed and kept up to date.
- Ensuring regularity, propriety, feasibility and value for money in the use of public funds.
- Advising on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and the budget, and supporting and advising the PFCC and their staff in their respective roles.
- Advising the PFCC on the application of value for money principles by the police force to support the PFCC in holding the Chief Constable to account for efficient and effective financial management.
- Ensuring that the funding required to finance agreed programmes is available from central Government, precept, other contributions and recharges.
- Reporting to the PFCC, the Police, Fire and Crime Panel and the PFCC's external auditor if it appears that expenditure is likely to exceed the resources available to meet that expenditure.
- Ensuring the production of the Group accounts as well as the PFCC accounts and confirming that they present a true and fair view of the financial position of the Group and PFCC at the end of the financial year to which it relates and of the Group's and PFCC's income and expenditure for that financial year.
- Ensuring receipt and scrutiny of the statement of accounts of the Chief Constable and ensuring production of the group accounts.
- Liaising with the external auditor.
- Ensuring the maintenance of an efficient and effective internal audit function.
- Advising on the safeguarding of assets, including risk management and insurance.
- After consulting with the Chief Executive and Monitoring Officer, to report to the PFCC, the Police, Fire and Crime Panel and the PFCC's external auditor any unlawful, or potentially unlawful, expenditure by the PFCC or their officers.
- Contributing to the corporate management of the PFCC's office, particularly through the provision of professional financial advice.
- Providing financial information to the media, members of the public and the community.

To support the Strategic Head of Performance and Resources in fulfilling their revised role, it is proposed that the existing Head of Finance role is deleted when vacated in March 2022 and replaced with a new role of Finance Manager. This post will be designated as the Deputy Chief Finance ("Section 151") Officer in order to provide support and resilience. Subject to consultation with staff, it is further envisaged that a part-time Finance Assistant role will be created to support both these officers. Some responsibilities currently included within the Strategic Head of Performance and Resources' portfolio not related to strategic financial management will also be redistributed within the PFCC's leadership team in order to free up their capacity to take

on the statutory Chief Finance Officer functions.

### The candidate

The PFCC proposes to designate their existing Strategic Head of Performance and Resources, Janet Perry, a very highly qualified accountant, as their Chief Finance ("Section 151") Officer.

### The criteria used to assess the suitability of the candidate for the appointment

Mrs. Perry was appointed to the role of Strategic Head of Performance and Resources in 2020 through the due process set out in the Police Reform and Social Responsibility Act 2011. Through this process, she demonstrated her competence at the highest level of the six behaviours set out in the College of Policing's Competency and Values Framework (CVF), described in more detail at Appendix 1.

Due to the seniority and strategic importance of the post, the PFCC worked with a specialist agency to attract and select a suitable candidate for Mrs. Perry's existing role. Hays Senior Finance was selected to partner with the PFCC in this regard, having previously placed a number of senior finance leads in a number of local authorities in Essex, Southend, Cambridgeshire and London as well as recruiting the Operational Director of Finance for the City of London police force and the Chief Executive to the Devon and Cornwall PCC. The attraction approach included a targeted search (conducted through networking / headhunting and engaging with Hays' existing database), online advertising and a social media campaign. A branded microsite was built specifically for the purpose of recruiting to the role and publicised by both Hays and the PFCC.

### Why the candidate satisfies the criteria

The formal selection process was held on 27 May 2020 and included a presentation exercise and a competency-based panel interview. For the presentation, candidates were asked to respond to the question *"The PFCC is responsible for securing efficient and effective police and fire and rescue services for the people of Essex. If appointed, how would you utilise each element of the job role in order to help him discharge this duty?"* The interview questions tested the candidate's behaviours against those in the College of Policing's Competency and Values Framework (CVF) described in more detail at Appendix 1.

The assessment panel consisted of Roger Hirst (Police, Fire and Crime Commissioner), Jane Gardner (Deputy Police, Fire and Crime Commissioner), Pippa Brent-Isherwood (Chief Executive and Monitoring Officer), and Jonathan Swan (Independent Chair of the PFCC's and Chief Constable's Joint Audit Committee). The appointment process was conducted with the support of professional advice from an HR Partner within the Human Resources service provided to both Essex and Kent Police. The HR Partner participated in the shortlisting process and observed the presentation and interview processes in order to ensure the Panel's compliance with agreed policies and procedures.

Mrs. Perry is an extremely highly qualified accountant. She is a Fellow of the Association of Chartered Certified Accountants (ACCA), recognising her extensive

experience and long-term commitment to the professionalism and ethics of the Association. She is also an Honorary Fellow of the Health Financial Management Association and an Associate of the Chartered Institute of Management Accountants (CIMA). She is a Chartered Management Accountant certified by the Associates of Costs and Management Accountant (ACMA) and a Chartered Global Management Accountant (CGMA). In addition, Mrs. Perry is a member of the ACCA Council Public Sector Panel and was previously a member of the Financial Reporting Advisory Board for Whole of Government Accounting for six years and a member of the ACCA Council Health Panel for five.

The candidate performed to a high standard in all elements of the selection process and brought extensive financial leadership experience into the role. During a career spanning more than 40 years, Mrs. Perry has held very senior positions, including Director of Operational Finance for Barts Health NHS Trust and NHS Chief Financial Controller for the Department of Health, and has been instrumental in the delivery of significant savings programmes within the health sector. She led the financial aspects of the merger of three acute trusts into the largest trust in England and led the national programme for closing Strategic Health Authorities and Primary Care Trusts. Her curriculum vitae (CV), up to the point of joining the PFCC's office in 2020, is attached for the Panel's information at Appendix 2.

Since being appointed to the PFCC's office, Mrs. Perry has performed successfully in her existing strategic financial leadership role. She is already a key member of the PFCC's Senior Management Team (SMT) and has made a particularly significant contribution to strengthening financial scrutiny of both the police force and the fire and rescue service in Essex.

Mrs. Perry has demonstrated a strong commitment to her own Continuous Professional Development (CPD) and has also served her local community in Essex by applying her extensive skills within the charitable sector, particularly in the areas of education and social housing. More detail is available in the CV attached at Appendix 2.

Taking all of the above into account, the PFCC has determined that Mrs. Perry has met or exceeded the required criteria and proposes to designate her as their Chief Finance ("Section 151") Officer.

#### The terms and conditions on which the candidate is to be appointed

Mrs. Perry occupies an existing full-time, permanent role on a salary of £74,584. At the time of writing, the role is due to be re-evaluated, taking into account inclusion of the responsibilities set out on page 3 of this report, on 24 February 2022. If any change is made to the salary of the role as a result of this evaluation, the Panel will be informed.

The candidate is contracted on the same terms and conditions as other PFCC staff and is required to adhere to all applicable policies and procedures.

The post is designated as politically restricted in accordance with the provisions of the Local Government (Political Restrictions) Regulations 1990 and as set out in Schedule 16 of the Police Reform and Social Responsibility Act 2011.

Vetting clearance is a prerequisite of employment and the candidate is subject to a

vetting assessment every 12 months. National security vetting clearances are reviewed every five years.

#### **4. Appendices**

Appendix 1 – Extract from the College of Policing's Competency and Values Framework (CVF)

Appendix 2 – Janet Perry's Curriculum Vitae