

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 5th July 2023

Subject: CIPFA Financial Management Review (FMR)

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Purpose of the report

This review was requested by the Joint Audit and Scrutiny Committee (JASC) who asked that CIPFA follow-up on the recommendations and improvement plan developed during the initial FM review of June 2020. The initial review was part of the CIPFA's Achieving Financial Excellence in Policing (AFEP) Programme.

The report reviews financial competency and literacy across the Force.

There is a link to the MTFP good and balanced budget risk held on the Force Risk Register, actions reduce the likelihood of a risk materialising.

Recommendation

JASC to note report, the recommendations have been accepted by the Chief Constable.

Recommendations are set out in Appendix E and Exec Board is advised to support these. They build on prior recommendations in the first FMR report and integrated to the FFF strategy EE actions. In summary the recommendations support the finance function of the Force to move from supporting transition (incl. utilisation of automation) to supporting transformation with a view to securing value of money. The recommendations are not only applicable to the development of the Finance Team but also members of the workforce with financial responsibilities.

Background

The previous FMR was undertaken in 2020 and assessed the Force financial competency and stage of development in the context of transition out of the alliance and setting up a stand alone force and addressing the significant ICT technical debt through the Evolve Programme.

As the Force develops and the challenges and environment evolve it is necessary to reassess financial competency and draw appropriate recommendations to ensure effective financial management.

The national financial context has significantly changed since the last review in 2020. The impact of the high rates of inflation and cost of living increases have been felt in

Warwickshire as they have elsewhere across the country. This affects both the residents of the County and the Force itself. There is a national context of higher demand on public services coupled with strikes, and difficulties identified in recruitment to in demand roles.

In policing, the national direction of travel supports the continued investment in the numbers of police officers recruited through the Police Uplift Programme. At the same time the Government, recognising the financial constraints, is impressing on local forces the need to secure efficiencies in operations, and this translates particularly to effective use of technology and resources. This element of improvement has been in sharp focus for Warwickshire through the Evolve programme which has now ended.

In Warwickshire the current context is broadly similar to the national position. There is an increase in demand for public services, with demands moving between agencies, and recruitment in policing continues to remain challenging. Warwickshire Police have now completely exited the Alliance arrangements with West Mercia Police, and 2023 brings completion of the first year as a standalone Force. The services which were established have risen to the challenges presented, and the processes and ways of working are being established, reviewed and improved.

Since the last CIPFA review, the Government announced a national policing uplift programme of an additional 20,000 officers and Warwickshire has been working on its own plan to deliver police officer uplift targets. The Force's has now reached its uplift targets and has reverted to a monitoring and maintenance mode. Alongside this the Chief Constable has carried out a review of the operating model and has identified a new geographic approach to deploying officers throughout the County. This review is referred to as the Empower Change Programme, and has been evidenced-based, to determine where to place resources to effectively manage demand, and to offer a high-quality service to communities.

Empower has three main strands including People, Technology and Place.

The People strand is now coming to an end and will deliver a new operational policing model from April 2023. Alongside the operating model review, the Chief Constable is delivering two 5 further programmes under the banner of Empower. These relate to technology and infrastructure, and both seek to drive improvements and efficiencies through investment.

The Place programme seeks to deliver a series of improvements to the physical estate to bring it to a standard to support the needs of a modern workforce. As well as improvements to building condition and the maintenance contract, this programme seeks to benefit from the principles of agile working, and efficiencies to be gained from having the right people in the right place at the right time. The programme will support the PCC's Estates Strategy, which is now complete, and which also sets a direction for activity to combat environmental and climate concerns.

Fleet is a major element of this work too, which links back to national procurement work led by Bluelight Commercial, a police-owned company looking to transform commercial services, principally through standardisation and collective procurement. The third strand

of Empower is the Technology programme building on the work undertaken by the Evolve Programme, which sought to disentangle the systems that had been combined under the Alliance.

Due to significant technical debt, the only way to achieve this was to implement an entirely new IT system at the same time and incorporate new applications, through the National Enabling Programme. The new system has been implemented in full, and the Force are benefiting from this technology investment.

Executive Summary

In our overall opinion, the Force has made significant improvements in financial management, competency and literacy since the last review in June 2020. In 2020, the Force was very much focused around the Alliance separation programme which took significant amounts of money, resources and management focus to ensure that the programme was properly mobilised and that it had the governance and decision-making framework to succeed.

The Force is now in much better shape. Those interviewed were very positive and constructive about the progress that had been made in the last three years and the Force in general is looking to the future, using a number of the enabling programmes of the past to build a sustainable platform of continuing improvement as it looks to the future.

Typically, in organisations, Finance is seen as a “back office” function: this is not the case in Warwickshire and it’s not a view shared by the Chief Constable who believes that Finance is a key tenet of the professional services capability in Warwickshire. As such, the Finance Director has a seat at the top table and is involved in all key decisions.

Since the last survey, the Finance Team have made positive advances in securing a number of new resources to support the service. This is most noticeable in the transactional areas, where a decision was taken to in-source and the team is fairly new. The Force has also been successful in attracting more experienced finance practitioners and, overall, the team appears well managed with a good “can do” ethic and, for recent hires, there is a real desire to learn and make a positive contribution to the Force as a whole.

In our experience, finding a perfect balance between Finance and HR systems is always a challenge and Warwickshire are no different. Interviewees told us that the establishment data is unreliable and often out-of-date. We believe that an impending upgrade of the (Origin) HR system will provide more accuracy and facilitate ease of access to workforce data.

Many organisations across the public sector are grappling with the issue of delivering further savings with fewer resources and are looking at artificial intelligence and robotics (and repeat process automation – RPA) technology as a way of transferring the more repetitive transactional tasks with technology. We understand that Warwickshire are planning to explore specific projects (and the appropriate application of relevant technology) to improve overall efficiency while delivering a better service to the wider workforce. 7

For this review, we agreed with the S151 to run a scaled-down version of the on-line survey, focusing on key areas. We have presented a summary of the on-line survey results at Section 5 and have referenced a series of pertinent survey comments at Appendix D. Overall, the trend is positive with an overall on-line survey score of 4 compared to 3 in June 2020. We have further qualified the scores with specific narrative where appropriate