



Creating a safer  
**Cambridgeshire**

COMPLIANCE with CIPFA FINANCIAL MANAGEMENT CODE  
CAMBRIDGESHIRE CONSTABULARY AND  
CAMBRIDGESHIRE AND PETERBOROUGH OPCC

2024/25

## Introduction

The CIPFA Financial Management (FM) Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Any reference to local authorities in the Code also encompasses policing bodies.

The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium and long term finances of a local authority;
- Manage financial resilience to meet unforeseen demands on services;
- Manage unexpected shocks in their financial circumstances.

Each local authority must demonstrate that the requirements of the Code are being satisfied and it is a responsibility of the Chief Finance Officer to ensure that compliance is reviewed.

The Code has been in effect since 1 April 2020 with the first full year of compliance being 2021/22. This is the fifth self-assessment undertaken by the Constabulary and the OPCC and reports on the financial year 2024/25.

A self-assessment of the Constabulary and OPCC's standing against each of the standards is assessed using a RAG rating approach. The findings of the self-assessment can be summarised below:

RAG Rating	Progress	Number of Financial Management Standards
GREEN	Compliance is demonstrated.	15
AMBER	Minor to moderate improvements are required to demonstrate compliance	2
RED	Moderate to significant improvements are required to demonstrate compliance	0
<b>TOTAL</b>		<b>17</b>

The results of the self-assessment indicate an overall rating of green with 88% of standards being complied with in full and importantly no red areas of non-compliance.

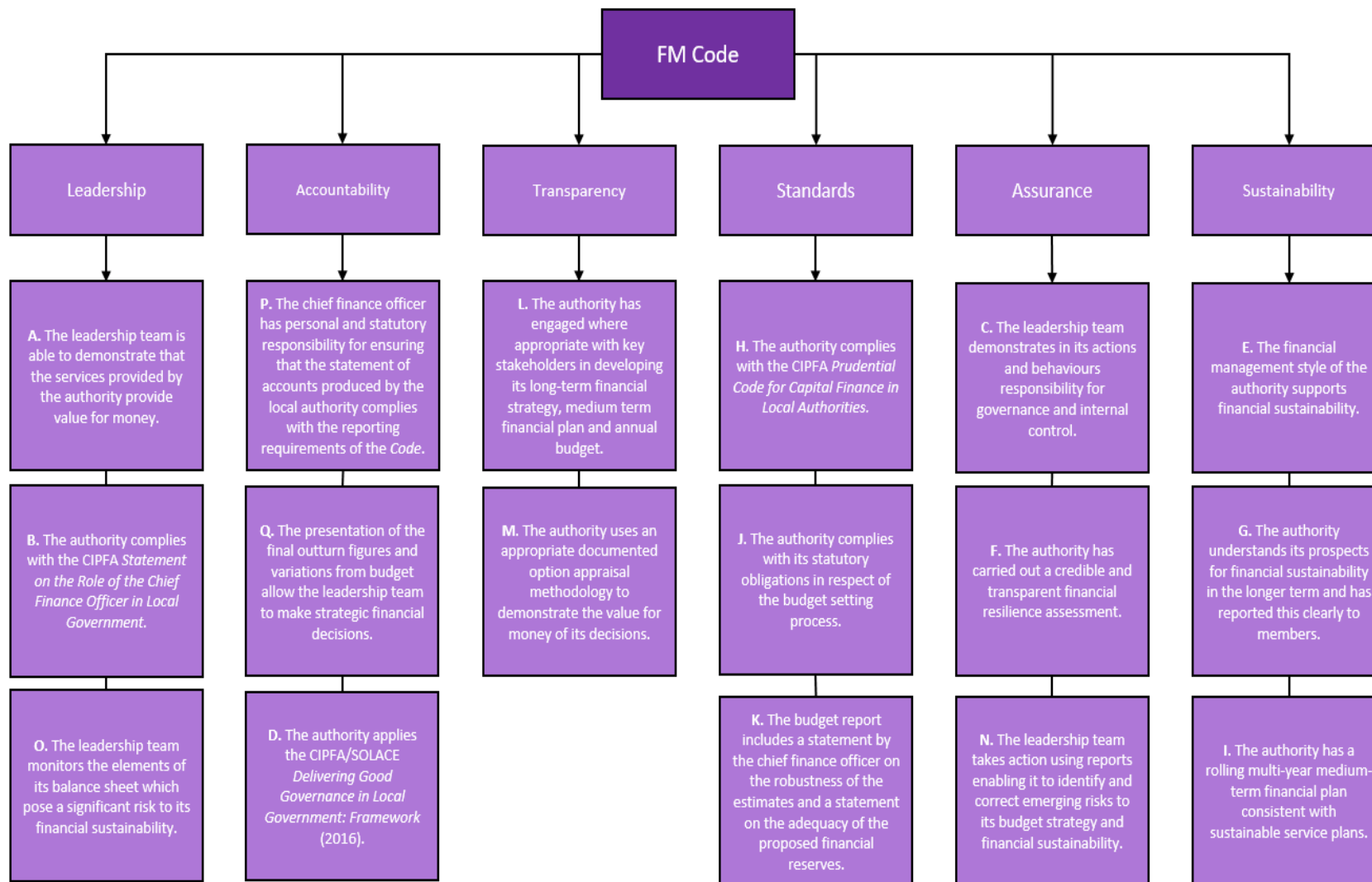
Of the remaining two standards (12%), which are rated amber work continues to demonstrate full compliance although this is directly outside the Constabulary's direct control as both areas relate to financial planning in the BCH collaboration. These standards are:

- Standard G – the authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
- Standard I – The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.

Standards G and I are reported amber due to the lack of multi-year business and financial plans in the BCH collaboration. Whilst this report outlines improvements in the business and financial planning arrangements for BCH, the processes are not yet matured fully to have delivered a multi-year plan. The Chief Constable's CFO continues to make representation to collaborated partners that this must be in place and an area of focus in the planning processes. This continues to be an area for improvement until which these standards cannot be fully reported as Green.

It should be noted that this single year budgeting issue only relates to BCH and not the local constabulary CAMSTRA business and financial planning processes, which are truly medium term, recognised by HMICFRS as highly effective practice and assessed by internal audit with a substantial assurance opinion in 2024/25.

The six principles and supporting standards are shown in the graphic below.



Financial Management Standard A	RAG Rating: Green
<p>The leadership team is able to demonstrate that the services provided by the authority provide value for money.</p>	<p>The leadership within both the Constabulary and the OPCC actively pursue the delivery of value for money (VfM). This runs through all decisions and requires the need to balance operational threat and risk, with performance and finance.</p> <p>When the need arises both the Chief Constable and the PCC and their staff will challenge VfM as appropriate. During 2024/25 examples of this include:</p> <ul style="list-style-type: none"> <li>• Challenging VfM in capital works and projects, for example the cost packages for the Milton Police Station (formerly CSPA) with the contractor to ensure the scheme is properly costed as evidenced through competition and challenge to the supply chain. The robust management of compensation events associated with the construction as the build progresses to ensure only essential requirements are agreed and funded.</li> <li>•</li> <li>• The embedding of the Corporate Portfolio Change and Benefits Management Framework to facilitate effective and consistent management of change initiatives and benefit identification and delivery. Examples of projects managed through the Framework include the Electric Vehicle Pilot project.</li> <li>• Continued alignment between the CAMSTRA business planning process and financial planning to deliver a sustainable financial plan. Through SLT meetings and finance focussed leadership team meetings savings plans are reviewed and monitored to ensure a balanced budget was achieved for 2024/25 with £4.2m of savings being tracked and delivered during the year.</li> <li>• By necessity any proposal for investment that has not been budgeted has been considered in the context of affordability and value for money with the financial environment becoming more constrained.</li> </ul> <p>The 7 Force Commercial Services function continues to target VfM through effective contract and supply chain management, contract pipeline and competitive procedures to drive VfM through consolidated procurement across the Eastern region. The 7 Force Commercial Services function works in conjunction with the Blue Light Commercial (BLC) Services providing procurement,</p>

	<p>commercial lifecycle, and national contract framework arrangements for the whole of policing. These arrangements help to ensure VfM through procurement arrangements both nationally, within the region and locally. Further still 7 Force Commercial Services are represented in the commercial work of the Police Efficiency and Collaboration Programme (PECP) working with the Home Office and BLC. Cashable budget savings have continued to be difficult to deliver through procurement in 2024/25 due to the ongoing inflationary environment and taxation policy such as the increases in the employer national insurance contributions. Cost avoidance however in procurement exercises remains strong.</p> <p>Due to the national audit backlog the Constabulary has not received an external audit since 2020/21. Statutory backstop dates were imposed during the year resulting in BDO undertaking their VfM work on the 2021/22 and 2022/23 financial years. BDO reported that they did not identify any significant weaknesses in the PCC and CC's arrangements for securing economy, efficiency and effectiveness in its use of resources.</p> <p>BDO had no matters to report by exception in the audit report on the financial statements. BDO also had no matters to report in their closing audit certificate, on completion of their work on the PCC and CC's value for money arrangements.</p> <p>KPMG are the current external auditors appointed from the 2023/24 financial year. KPMG undertook their audit of the 2023/24 financial statements which included their assessment of VfM. KPMG concluded that the Group does have appropriate arrangements in place and they similarly did not identify any significant weaknesses in respect of arrangements to secure economy, efficiency, and effectiveness in the use of resources.</p> <p>A Value for Money Strategy has been in place since 2021 which sets out the approach to VfM and how the Constabulary seeks to demonstrate VfM through all business activity and service provision. Consideration of VfM topics at the Chief Constable's Senior Leadership Team (SLT) occurs every six months. The strategy was refreshed in January 2024 and approved by FEB.</p>
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	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	<p>The Corporate Plan has Resources as an Organisational Priority focusing on using our resources efficiently and effectively to ensure value for money and to invest in priority areas and integrate new technologies to improve policing. The Corporate Plan is published to the organisation and embedded in everyday discussion in meetings and through 'My Conversation' (1:1 and annual Performance and Development Reviews). The entire Constabulary is encouraged to consider VfM in everything we do.</p> <p>The Force Financial Instructions includes reference to maximising VfM as part of the Force financial strategy.</p> <p>The Constabulary does consider the HMICFRS Value for Money profiles which do demonstrate that Cambridgeshire is one of the lowest funded Police Forces and that expenditure on services generally reflects this. When coupled with the performance of the Constabulary this provides a proxy for VfM. Ongoing analysis of the VfM profiles</p>	<p>OPCC Budget remains less than 1% of Net Budget Requirement.</p> <p>The BCH Combined Financial Regulations contain the 7F Contract Standing Orders which target VfM.</p> <p>All Grants and Contracts from the OPCC have specific outcome monitoring reporting to ensure VfM is key.</p> <p>The OPCC Finance &amp; Audit Manager challenges requests for spend to ensure VfM is being considered.</p>	<p>Constabulary Corporate Plan</p> <p>2020/21 External Auditor's Annual Audit Report</p> <p>2023/24 Annual Audit Report</p> <p>7F Commercial Services Contract Standing Orders</p> <p>VfM Strategy</p> <p>HMICFRS VfM Analysis</p> <p>HMICFRS Peel assessment report 2023-25</p>

	<p>continues to strengthen the evidence base for the Constabulary as the VfM Strategy matures.</p> <p>The Constabulary's PEEL assessment 2023-25 stated that "The constabulary manages its finances well. Its financial plans are sensible and sustainable,"</p>		
<b>Financial Management Standard B</b>		<b>RAG Rating: Green</b>	
<p>The authority complies with the CIPFA <i>Statement on the Role of the Chief Financial Officer in Policing.</i></p>	<p>Both the Constabulary and OPCC CFOs are fully compliant with the CIPFA statement and principles contained therein. The CFOs fully understand their own roles and how they work together. The CFOs are key to the leadership teams of both organisations and are actively involved in key decisions. Both CFOs are professionally qualified and suitably experienced.</p>		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	<p>The Chief Constable's CFO is CIPFA qualified and has been in post since December 2019 and is part of the Chief Officer Team advising on strategic financial matters. The CFO works effectively with the OPCC CFO in an open and transparent way as well as with CFO counterparts in the BCH collaboration and 7 Force Eastern Region. The Constabulary CFO is the NPCC finance lead for the Emergency Services Network (ESN) Programme, which is led by the</p>	<p>The PCC's CFO is part of the OPCC SMT and advises the PCC on strategic financial matters.</p> <p>The OPCC CFO and the Constabulary CFO work together effectively and in an open and transparent way.</p>	<p>Job descriptions of the CFOs</p> <p>Board and meeting agendas and minutes</p>

	Home Office, and in addition is participating in the national sub-groups of the Police Efficiency and Collaboration Programme (PECP) as one of the Eastern region CFO representatives.		
<b>Financial Management Standard C</b>		<b>RAG Rating: Green</b>	
The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	<p>Business Co-ordination Board and Resource Group are joint meetings between the Constabulary and OPCC attended by senior management. A well-established Joint Audit Committee is in place and has good attendance by senior management to meetings. The Internal Auditor's opinion for 2024/25 for both organisations on the adequacy and effectiveness of the system of internal control, stated that they have an adequate and effective framework for risk management, governance and internal control.</p> <p>Internal Audit undertook a review of the Governance arrangements as part of the 2024/25 Audit Plan providing a reasonable assurance opinion. The conclusion from the review for the Constabulary and OPCC is provided below.</p> <p><b>Constabulary</b> We concluded that there was a clear governance framework documented, that was largely operating effectively for both the OPCC and the Constabulary, in line with the Corporate Framework. We found that the majority of Boards and Groups for both organisations were operating as designed, through review of their meeting minutes, and as documented within their Terms of Reference. However, we discovered that the terms of references for a few groups were outdated, and in one instance, the Strategic Force Performance Management Board meetings were not consistently conducted or properly documented with formal minutes.</p> <p><b>OPCC</b> The review of the OPCC Governance structure confirmed that groups and committees were functioning as intended, with essential leadership team members participating in various committees to ensure necessary oversight. However, issues were identified concerning the approval of the governance scheme and the publication of the updated gifts and hospitality registers.</p>		

	<p>A mature risk management framework is in place for both the Constabulary and the OPCC. Strategic risks for the Constabulary are held by the Deputy Chief Constable and are reported monthly to the Risk Review Board. Risk Management arrangements was last assessed by internal audit in 2023/24 providing a substantial assurance opinion for the Constabulary and a reasonable assurance opinion for the OPCC. The summary opinions are provided below. In addition, risk management arrangements in the BCH collaboration have been embedded and are reported to the Joint Chief Officer Board (JCOB) on a quarterly basis.</p>		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	<p>The Constabulary has in place a Corporate Framework detailing the governance arrangements including the terms of reference for each meeting and how they interrelate. The Force Executive Board meets monthly, and the agenda covers the breadth of the Chief Constables responsibilities including collaborated areas.</p> <p>Chief Officers ensure that business and decisions are undertaken through the correct governance routes and processes and are appropriately minuted and recorded.</p> <p>Effective risk management arrangements are in place for the Constabulary and the BCH collaboration.</p>	<p>Chief Executive ensures OPCC is staffed to undertake all statutory duties for delivery of the Police and Crime Plan.</p> <p>Governance structures are in place for the PCC to hold the Chief Constable to account.</p> <p>The PCC signed a declaration on re-appointment to post which contains the NOLAN principles and the Code of Ethics for Policing as well as a specific pillar for Ethical Policing.</p> <p>Effective risk management arrangements are in place for the OPCC.</p>	<p>BCH Scheme of Governance</p> <p>BCH Financial Regulations</p> <p>Force Financial Instructions</p> <p>JAC ToR, minutes and papers.</p> <p>PCC Oath.</p> <p>AGS</p> <p>Constabulary Corporate Framework</p>

	<p>Internal Audit is well embedded with the Constabulary and is provided by an independent third party. The outcome of internal audits are reported to the JAC for consideration, review and challenge.</p> <p>The Constabulary also has whistle blowing, fraud and corruption and risk management policies, the latter also being the subject of periodic internal audit.</p>		
<b>Financial Management Standard D</b>		<b>RAG Rating: Green</b>	
<p>The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework</i> (2016).</p>	<p>Annual Governance Statements (AGS) for the Constabulary and OPCC set out governance arrangements in line with the CIPFA/SOLACE framework. The last available External Auditor's Annual Audit Report for the 2023/24 financial year concluded that proper arrangements are in place to secure economy, efficiency and effectiveness in its use of resources.</p>		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	<p>The AGS is prepared independently by the Internal Auditors for the Force as a separate engagement to the Internal Audit Service. The AGS is presented to the JAC for review and comment before being finalised alongside the Statement of Accounts.</p>	<p>OPCC compiles an Annual Integrity report to JAC highlighting compliance across the PCC's statutory duties.</p>	<p>AGS for both Constabulary and OPCC.</p> <p>Annual Integrity report. Constabulary Corporate Framework</p>

	<p>The Constabulary has in place a Corporate Framework detailing the governance arrangements including the terms of reference for each meeting and how they interrelate.</p> <p>A Scheme of Governance is in place for the Constabulary which includes delegated authorities, working agreements between the PCC and the Chief Constable and the Financial Regulations. The Nolan principles also underpin the anti-fraud and anti-bribery strategy contained within the Financial Regulations. In addition, the Constabulary has a Code of Ethics to abide by and the Corporate Plan sets out the Values that Officers and Staff are expected to demonstrate: Fairness, Integrity, Diligence and Impartiality.</p> <p>The Constabulary also has a Culture Statement, articulating how the behaviours, ways of working and approach to being inclusive and valuing all individuals and perspectives. The Culture Statement aims to build trust and confidence in one another and the communities we serve.</p>		<p>Scheme of Governance</p> <p>Internal audit reports on governance arrangements</p>
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<b>Financial Management Standard E</b>		<b>RAG Rating: Green</b>	
The financial management style of the authority supports financial sustainability.	<p>The financial management style of the OPCC and Constabulary is one of openness, transparency and constructive challenge to:</p> <ul style="list-style-type: none"> <li>• Deliver accountability;</li> <li>• Support performance; and</li> <li>• Enable transformation.</li> </ul> <p>Business and financial planning processes within the Constabulary target sustainable and well considered solutions to financial challenges and savings proposals. The business and financial planning approach is recognised by the Home Office as good practice and the Constabulary has facilitated visits from overseas forces to demonstrate the CamSTRA approach.</p> <p>The Medium-Term Financial Strategy is a multi-year document with a requirement to ensure the forthcoming year's budget is balanced and to focus on financial sustainability for future years. Budget savings have been identified for delivery in 2024/25 and 2025/26 which the Chief Constable's SLT is accountable for and which were monitored throughout 2024/25 to ensure delivery and take corrective action where necessary. The budget is set without any significant planned use of reserves as the Constabulary seeks to protect reserves to maintain ongoing financial resilience, also with the General Fund reserve planned to be maintained at 5% of the net revenue budget. Savings need to identified in future years from 2026/27 onwards based on current MTFS assumptions.</p> <p>Internal audits were undertaken during 2024/25 in financial areas with one audit covering the MTFS, which received a substantial assurance audit opinion.</p>		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	The Constabulary has a robust set of guidance evidenced through the Corporate Framework, Financial Regulations and Contract Standing	As above  Financial documents are available on the PCC website to enable transparency.	Constabulary Corporate Framework  Scheme of Governance

	<p>Orders which are supported by the Force Financial Instructions.</p> <p>The Corporate Plan includes Resources as one the Organisational priorities to use our resources efficiently and effectively.</p> <p>The CFO and Director of Resources is a member of the Chief Officer Team (COT) providing input to strategic discussion and direction within the Constabulary. The COT meet weekly and the financial considerations of any decisions through the Corporate Framework focus on finance and value for money. In addition, Senior finance representatives sit on all key decision making and informative boards e.g. Change Board, Risk Review Board, Strategic Workforce Planning and Programme Boards.</p> <p>The Constabulary continues to enhance its approach to financial management through budget delegation to budget managers supported by a Finance Business Partnering approach. This is enhancing budget management and financial planning through closer</p>	<p>The Resource Group provides a forum for the Constabulary and OPCC to discuss financial sustainability.</p>	<p>Corporate Plan</p> <p>Business Planning</p> <p>Medium Term Financial Strategy</p> <p>2024/25 MTFS</p> <p>Internal Audit report</p>
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	working between the business and finance across the organisation.		
<b>Financial Management Standard F</b>		<b>RAG Rating: Green</b>	
The authority has carried out a credible and transparent financial resilience assessment.	<p>A four-year MTFS is in place, CIPFA advocate a minimum coverage of three years. The CamSTRA process identified strategic threats and demands. The Constabulary keep the OPCC informed through the Resources Group and BCB as the budget and MTFS is developed to ensure a common understanding.</p> <p>The MTFS is presented to the Police and Crime Panel for contextual information for consideration of the proposed precept as well as providing a briefing to the Panel members ahead of the relevant Panel meeting where the precept is voted on.</p> <p>Alongside the revenue budget, the capital programme is also based on a four-year period and the Treasury Management Strategy Statement is informed by the capital programme. The whole suite of documents is refreshed annually to update for new information and changes to assumptions and estimates. The Constabulary's in-force arrangements are robust in regard to sustainable financial planning.</p> <p>During 2024/25 further improvements have been made in the BCH business and financial planning process. The Joint Strategy and Transformation Team coordinate the process liaising with CFOs across the collaboration and reporting into the BCH Deputy Chief Constables meeting. Enhanced information regarding service levels and costings were captured as part of the process to inform decision-making as are opportunities and threats for consideration. Detailed financial planning workshops were coordinated to consider budget proposals and to challenge services further to deliver the required level of savings. Budget reports ultimately being presented to JCOB and the BCH Strategic Alliance Summit for approval.</p>		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>

	<p>The business planning processes of the Constabulary remains strong through the CamSTRA which is now well embedded. Business and financial planning have been brought together providing an improved planning process focussing on operational priorities alongside robust and sustainable financial management.</p> <p>Regular reports are provided to the PCC's Resources Group and Business Coordination Board during the financial planning cycle as the proposals develop. This includes updates on key assumptions, and sensitivity analysis in respect of precept funding and pay award.</p> <p>The BCH Business Planning process runs alongside the CamSTRA with specific reports and returns which are used to make the budget proposals to JCOB after discussions through CFOs and DCCs.</p>	<p>Paper on budget considerations taken to Police and Crime panel in November 2024 to provide them with an overview of the budget and how inflexible it is.</p>	<p>MTFS MTFP, Budget presentation Capital Programme</p> <p>Revenue &amp; Capital monitoring reports to FEB &amp; BCB</p>
<b>Financial Management Standard G</b>		<b>RAG Rating: Amber</b>	

<p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	<p>A four-year MTFFS is in place, CIPFA advocate a minimum coverage of three years. The CamSTRA process identified strategic threats and demands. The Constabulary keep the OPCC informed through the Resources Group and BCB as the budget and MTFFS is developed to ensure a common understanding.</p> <p>The MTFFS is presented to the Police and Crime Panel for contextual information for consideration of the proposed precept as well as providing a briefing to the Panel members ahead of the relevant Panel meeting where the precept is voted on.</p> <p>Importantly the MTFFS includes a Reserves forecast to demonstrate planned movements to and from reserves. The Constabulary and OPCC has worked hard and continues to work hard to protect reserves to maintain financial resilience and to provide for known risks through ear marked reserves where appropriate.</p> <p>Alongside the revenue budget the capital programme is also based on a four-year period. The whole suite of documents is refreshed annually to update for new information and changes to assumptions and estimates.</p> <p>Whilst the Constabulary's in force arrangements are robust improvements continue to be required to the BCH business and financial planning approach. The arrangements still only deliver a single year budget look rather than an assessment into the medium term, however there are some services (ICT and IMD) that are planning further ahead but the approach is not commonplace. Previously a culture of growth and bidding for more investment was typical of the BCH approach, which has now been addressed through consistent and clear messaging and communications to heads of units. To deliver a balanced budget for all 3 BCH forces, CFOs had to direct a cash limited basis to BCH budgets. The Joint Strategy and Transformation (JST) team in BCH which oversees the business planning process continues to pursue a more robust and appropriate planning process. The OPCC and Chief Constable through respective governance routes have set out requirements to undertake reviews in specific BCH collaborated units in readiness for the 2026/27 planning cycle to ensure they remain appropriate and sustainable in the current financial climate.</p>
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<p>Despite the progress in the BCH arrangements a single year budget only for 2025/26 has been set. The BCH business and financial planning therefore still requires improvement to achieve a meaningful medium-term outlook although there are some plans in place in some units such as ICT and IMD. This is something that the Constabulary's CFO continues to champion.</p> <p>Due to the single year budget setting approach in BCH this Standard remains Amber.</p>		
<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
<p>The business planning processes of the Constabulary remains strong through the CamSTRA which is now well embedded. Business and financial planning have been brought together providing an improved planning process focussing on operational priorities alongside robust and sustainable financial management.</p> <p>Regular reports are provided to the PCC's Resources Group and Business Coordination Board during the financial planning cycle as the proposals develop. This includes updates on key assumptions, and sensitivity analysis in respect of precept funding and pay award.</p> <p>The BCH Business Planning process runs alongside the CamSTRA with specific reports and</p>	As above	<p>MTFS, MTFP, Budget presentation, Capital programme Revenue &amp; Capital monitoring reports to FEB &amp; BCB</p> <p>JCOB and SAS reports</p>

	returns which are used to make the budget proposals to JCOB after discussions through CFOs and DCCs.		
<b>Financial Management Standard H</b>		<b>RAG Rating: Green</b>	
The authority complies with the CIPFA <i>Prudential Code for Capital Finance in Local Authorities</i> .	The Capital Strategy is informed by the Estates Strategy and the Accommodation Strategy forms part of the MTFs. The Capital Programme is incorporated within the Capital Strategy and is based on a four-year period and fully costed with associated capital financing plans. The borrowing and consequently MRP implications are included in the revenue budget. The Treasury Management Strategy Statement also includes the Prudential Indicators which are reported on in the Treasury mid-year report and the Annual Treasury Report. The budget monitoring report includes in year monitoring of the key Treasury indicators in addition to the mid-year and outturn treasury reports. During 2024/25 quarterly treasury management review meetings were put in place to consider treasury matters in more detail as external borrowing requirements have increased with the significant major schemes in the capital programme. These quarterly meetings are attended by the CFOs from the OPCC and Constabulary as well as key members of the finance team. The meetings are also recorded.		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above	As above	MTFS including Capital Strategy and Programme, Accommodation Strategy, TMSS  Quarterly treasury management meetings
<b>Financial Management Standard I</b>		<b>RAG Rating: Amber</b>	

<p>The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</p>	<p>A four-year MTFFS is in place, CIPFA advocate a minimum coverage of three years. The CAMSTRA process identified strategic threats and demands. The Constabulary keep the OPCC informed as the budget and MTFP is developed to ensure a common understanding. The MTFFS is presented to the Police and Crime Panel for contextual information for consideration of the proposed precept as well as providing a briefing to the Panel members ahead of the relevant Panel meeting where the precept is voted on. Alongside the revenue budget the capital programme is also based on a four-year period. The whole suite of documents is refreshed annually to update for new information and changes to assumptions and estimates.</p> <p>Whilst significant improvement has been made in force there are still some improvements to make to the business and financial planning approach used within the BCH collaboration. Progress has been made in recent years regarding the business and financial planning process for BCH. However, this has not extended to the full strategic planning over multi-years to the same extent that the Constabulary develops its business and financial plans in-house.</p> <p>The current MTFFS forecasts a balanced budget in 2025/26 based on planning assumptions for grant funding and precept increases. There are budget gaps in 2026/27 through to 2028/29 totalling £11.4m which require savings proposals to be identified. Therefore, work remains to close the budget gaps in those future years, ensure savings are delivered and to keep under review the timing of future savings proposals.</p> <p>The MTFFS has been developed with environmental sustainability in line with the Sustainability Strategy to achieve net carbon zero by 2035. Budget provision is provided to continue the transition of fleet to alternative fuelled vehicles, develop charging infrastructure across the estate where possible and also to develop a solar options at the HQ to self-generate sustainable electricity.</p> <p>This standard remains Amber until the BCH business planning process covers the medium term.</p>	
	<b>Constabulary</b>	<b>OPCC</b>
	<b>Source/Evidence</b>	

	<p>The business planning processes of the Constabulary remain strong through the CamSTRA that is now in place. Business and financial planning have been brought together providing an improved planning process focussing on operational priorities alongside robust and sustainable financial management.</p> <p>The Constabulary has an Accommodation Strategy in respect of the operational policing needs of the Constabulary. The Accommodation Strategy informs the PCC's Estates Strategy which ultimately informs the Capital Programme and the TMSS and becomes part of the Capital Strategy.</p>	As above	<p>MTFS and MTFP, STRA outcomes.</p> <p>Capital Strategy</p> <p>Accommodation Strategy</p> <p>Estates Strategy</p> <p>Treasury Management Strategy Statement</p> <p>Sustainability Strategy</p>
<b>Financial Management Standard J</b>		<b>RAG Rating: Green</b>	
<p>The authority complies with its statutory obligations in respect of the budget setting process.</p>	<p>Budget setting process is known and understood by all senior managers and finance staff. Deadlines are known and work is undertaken to meet those deadlines including liaison with local precepting authorities for required information. The CFO for the OPCC provides assurance in the MTFS regarding the robustness of estimates and adequacy of reserves.</p> <p>CFOs are aware of the statutory powers available to them through S114 notices should the Constabulary be in a position where it is unable to balance its budget or have sufficient resources to meet in year expenditure.</p>		

	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above	Letters to precepting authorities and all required notification completed within statutory timeframes.	Precept report, MTFS, MTFP
<b>Financial Management Standard K</b>		<b>RAG Rating: Green</b>	
The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	The MTFS includes a statement by the OPCC CFO on robustness of estimates and adequacy of reserves. Reserves are all detailed with purpose and the forecast for the 4-year MTFP period is reported in the MTFS. Reserves are discussed at the Resource Group and Business Coordination Board and are monitored throughout the year.		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above	As above	MTFS
<b>Financial Management Standard L</b>		<b>RAG Rating: Green</b>	

The authority has engaged, where appropriate, with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	There is close working between the Constabulary and OPCC in the development of the MTFP/MTFS. Matters are discussed at Resource Group. BCH budget processes have been improved.		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	<p>The Constabulary engages with relevant stakeholders in setting its budget which include in the main forces that the Constabulary is in collaboration with. These include the Chiltern Transport Consortium, the 7 Force Eastern Region collaboration, the National Police Air Service (NPAS) and the tri-force collaboration with Bedfordshire and Hertfordshire.</p> <p>Where appropriate other stakeholders are engaged with as necessary. Examples include in respect of other national policing initiatives which impact the budget.</p>	Engagement activity took place in January on precept increase.	Precept report
<b>Financial Management Standard M</b>		<b>RAG Rating: Green</b>	
The authority uses an appropriate documented option appraisal methodology to demonstrate the value	<p>Within BCH and other collaborations major business cases are based on the Treasury Green Book including the options appraisal methodology. Outline Business Cases are discussed at Board level in BCH and internally within the Force prior to approval for the Full Business Case to proceed. Benefits realisation form part of the business cases.</p> <p>The Organisation Improvement Centre (OIC) has repositioned and standardised the approach to business cases and options appraisals in force. A Corporate Portfolio Change and Benefits</p>		

for money of its decisions.	<p>Management Framework is in place to facilitate effective and consistent management of change initiatives and benefit identification and delivery.</p> <p>This will involve a single project management methodology which will include standard templates based on the 5-case model for business cases, highlight reports and benefits realisation. Value for money will be incorporated into this approach and reporting arrangements will be given greater focus as part of the arrangements. Six month and twelve-month post implementation reviews will also be undertaken as part of the process.</p>		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above	As above	Corporate Portfolio Change and Benefits Management Framework
<b>Financial Management Standard N</b>		<b>RAG Rating: Green</b>	
The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	<p>Monthly revenue and capital monitoring reports are produced for the Constabulary and OPCC which are taken to FEB and quarterly to BCB. The reports consolidate the revenue and capital monitoring along with key performance indicators for prompt payment and debt management, the reserves position and cash flow forecasts. The monthly financial report provides a complete picture to management and leadership on a regular basis. The reports set out variances (both over / under spends) upon which decisions are taken and risks are managed. Examples during 2024/25 include the approval to increase the revenue contribution to capital outlay (RCCO) from the in-year underspend to reduce the need to borrow and therefore the associated financing costs in later years. Various transfers to reserves have also been undertaken during the year to mitigate future known risks.</p> <p>Financial monitoring on BCH collaborated areas are also produced for JCOB meetings, and 7 Force finances are reported to the Regional Finance Steering Group of which the Chief Constable's CFO attends.</p> <p>Non-financial reports are also received from across the business which consider the breadth of implications such as finance, estates, HR and / or procurement as well as risks and opportunities.</p>		

	Such reports are either proposed by the service areas or commissioned by the OPCC and / or the Constabulary.		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above Internal audit reports on Cash, Bank and Treasury (reasonable assurance) and Capital Accounting (reasonable assurance) in 2023/24.	As above	Revenue and Capital Monitoring reports.  Internal Audit Reports on Cash, Bank and Treasury and Capital Accounting
<b>Financial Management Standard O</b>		<b>RAG Rating: Green</b>	
The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.	Outstanding debt and KPIs of Purchase Ledger performance are included in monthly Revenue and Capital monitoring reports and are discussed at the relevant FEB or BCB when required. Cash flow forecasts and loans are also reported on in the same report.		
	Any unplanned use of reserves would be reported through the financial monitoring report; however, it should be noted that there has not been any unplanned use of reserves in recent years. Through the budget monitoring the leadership has been able to make contributions to reserves to mitigate future risks.		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above	As above	Revenue and Capital Monitoring reports.

Financial Management Standard P		RAG Rating: Green	
<p>The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i>.</p>	<p>The CFOs for the PCC and Chief Constable are fully aware of the statutory requirement for the production and external audit of the annual Statement of Accounts. This also extends to the requirements for Public Inspection of the accounts. The CFOs and relevant members of the finance team attend annual closedown briefings where relevant to ensure current issues and developments are understood and considered.</p> <p>The Statement of Accounts are completed on time and this remained the case for the 2023/24 accounts with the 2024/25 accounts being targeted for publication by 31 May 2025.</p> <p>Due to the audit backlog and the disclaimed opinions for 2021/22 and 2022/23 meant that the newly appointed auditors, KPMG, had to issue a disclaimed opinion on the 2023/24 accounts as well due to there being no assurance on the opening balances from the previous auditor's work. Due to the issues created by the audit backlog it is expected that a modified audit opinion will be received for the 2024/25 accounts.</p> <p>Despite these issues the CFO ensures the accounts are prepared in line with relevant Statute and guidance.</p>		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above	As above	<p>External Auditors Opinion 2020/21</p> <p>Consultation documents by DLUHC and FRC on the proposals to reset the audit backlog</p> <p>Draft unaudited accounts published on</p>

			the Constabulary/OPCC websites
<b>Financial Management Standard Q</b>		<b>RAG Rating: Green</b>	
The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	The final outturn report is an extension of the monthly monitoring report across the entire activity of the Constabulary, updated for the year end and including all necessary accruals. Therefore, the commentary provided at Standard N similarly apply to this Standard. The outturn report provides an overview of the key variances and issues experienced during the year and where necessary issues are carried forward to be addressed in the following year's budget (although this would be set before the outturn report is in place) or for inclusion in the next budget / MTFS refresh.		
	<b>Constabulary</b>	<b>OPCC</b>	<b>Source/Evidence</b>
	As above	As above	Outturn Reports PCC Annual Report