

## POLICE, FIRE AND CRIME PANEL CONFIRMATION HEARING – 4 DECEMBER 2018

**Summary**

Michael Porter is a fully qualified accountant with over 10 years post qualified experience with a proven ability to constantly challenge and improve existing processes and systems. He is currently the Chief Finance Officer for the PCC in North Yorkshire and the Chief Finance Officer and Deputy Chief Executive for the Police and Crime Commissioner for Cleveland and possesses excellent communication skills, with the ability to communicate professionally with Colleagues, Members, external and internal inspection agencies and partner organisations. He has excellent technical accounting skills which ensures a detailed understanding of all accounting transactions that take place within an organisation but with the ability to understand the implications on the day to day finances of an organisation and the impact that they may have on the financial strategy.

**Detail**

Michael Porter has worked in the police sector for 13 years after being appointed to work for Cleveland Police in June 2005. He is currently the Chief Finance Officer for the PCC in North Yorkshire and the Chief Finance Officer and Deputy Chief Executive for the Police and Crime Commissioner for Cleveland after previously being the Treasurer for Cleveland Police Authority and prior to this the Head of Finance for Cleveland Police, and as such has a range of experience in the police sector.

As Chief Finance Officer he is required by legislation to ensure the proper administration of the financial affairs of this public sector organisation and is personally responsible to the local tax payers for spending around £300m a year across both organisations.

He is responsible for ensuring the financial health of the organisation, for ensuring that all decisions are made within the Financial Regulations that he owns, that the budgets and financial plans that are set are robust and deliverable, that the organisation holds adequate reserves to manage the risks that it has and advise the PCC on all decisions that are made in the organisation, especially where there is a financial impact.

He has significant experience in managing the finances of an organisation, developing long term financial plans, ensuring the Statement of Accounts for the organisation are delivered on time and to a high standard and ensuring that the organisation raises precept in an accurate and timely manner in line with the legislative requirements.

Michael is a qualified management accountant with a significant understanding of the Police Reform and Social Responsibility Act 2011 having played a key role in the transition of Cleveland Police Authority to the new governance structures that came in to being with the elections of PCC's. This legislation has been modified to include Fire and Rescue Authorities and Michael has played a significant role in the development of the Business Case that set out the rationale for the transfer of Governance to the PCC and has also been involved in the transition work that has taken place since this business case was approved. This combined with working closely with the finance team within Fire means that he is well placed to provide continuity and support in a time of significant change.

# Michael Porter

## Chief Finance Officer and Deputy Chief Executive

### AREAS OF EXPERTISE

Financial Reporting  
Financial Leadership  
Budgeting and Forecasting  
Commercial Contracts and  
Partnerships  
PFI's  
Corporate Governance & Risk

### QUALIFICATIONS

CIMA  
1<sup>st</sup> Class Honours Degree  
Accounting and Finance  
University of Leeds

### PERSONAL SKILLS

Team player  
Troubleshooting  
Attention to detail

### PERSONAL SUMMARY

A fully qualified accountant with over 10 years post qualified experience. A proven ability to constantly challenge and improve existing processes and systems. Possessing excellent communication skills, with the ability to communicate professionally with Colleagues, Members, external and internal inspection agencies and partner organisations.

Has excellent technical accounting skills which ensures a detailed understanding of all accounting transactions that take place within an organisation but with the ability to understand the implications on the day to day finances of an organisation and the impact that they may have on the financial strategy.

### WORK EXPERIENCE

Cleveland Police, Cleveland Police Authority, Police and  
Crime Commissioner for Cleveland, North Yorkshire  
Police and Crime Commissioner

**Chief Finance Officer and Deputy Chief Executive  
Cleveland PCC and Chief Finance Officer – North  
Yorkshire PCC(July 2014 – present)**

**Chief Finance Officer and Deputy Chief Executive  
(Feb 2012 – July 2014)**

**Treasurer/Chief Finance Officer - Cleveland Police  
Authority (June 2010 – Feb 2012)**

**Head of Corporate Finance (Jan 2008 – June 2010)**

**Deputy Head of Corporate Finance(Sep 2006–Jan 2008)**

**Management Accountant (June 2005 – Sept 2006)**

### **Chief Finance Officer – North Yorkshire PCC (July 2014 – present)**

Since July 2014 I have combined the role of Chief Finance Officer and Deputy Chief Executive for the PCC in Cleveland with the role of the Chief Finance Officer role for the PCC in North Yorkshire.

As Chief Finance Officer in this organisation I am required by legislation to ensure the proper administration of the financial affairs of this public sector organisation and I am personally responsible to the local tax payers for spending over £150m a year.

Over the last 4 years I have contributed significantly to the rationale, logic and need for significant Transformational change within the organisation to ensure better value for money for the people of North Yorkshire and to help the organisation become more effective and efficient allowing key resources to be focused on those areas of most importance to both the public and the PCC. The culmination of this work is starting to come together and therefore this is a very exciting, but challenging, time for the organisation. Combining this with the closer working with the Fire Service has the potential to provide significant benefits to both organisations and most importantly to the public of North Yorkshire as the closer integration of these 2 services should lead to both organisations becoming more effective and efficient and therefore enabling limited resources to be focused on the services that are most required by the public.

In addition to the above I have tried to make the organisation aware that Finance, and more importantly Financial Management, is the responsibility of everyone who works within the organisation. This has been a key enabler to the improvement that has been visible in terms of the finances of the Force over the last 12 months or so and it will be one of the key areas of focus as the organisation moves forward through a period of significant change.

### **Chief Finance Officer and Deputy Chief Executive (Feb 2012 – present)**

For the past 13 years I have worked within financing roles within policing in Cleveland. The last 8 of these years have been in roles equivalent to those of Financial Controller and then Finance Director.

As Chief Finance Officer in this organisation I am required by legislation to ensure the proper administration of the financial affairs of this public sector organisation and I am personally responsible to the local tax payers for spending around £135m-£145m a year.

I have significant financial reporting experience both for internal purposes to support management decisions and also for public reporting to ensure transparency of decisions. I monitor the financial position of the organisation on an on-going basis while reporting at least monthly to the recently elected Police and Crime Commissioner; these reports include analysis of spending to date but also forecasts for the year ahead, comparators to previous years and also incorporate comparators from other police forces as appropriate. I am also responsible for providing financial leadership to the organisation and projecting forward the financial position for the next 4 years and developing options, strategies, ideas and plans for how to move the organisation forward, improve performance and meet the objectives and targets of the elected individual's Police and Crime Plan.

I am responsible for ensuring the financial health of the organisation, for ensuring that all decisions are made within the Financial Regulations that I own, that the budgets and financial plans that are set are robust and deliverable, that the organisation holds adequate reserves to manage the risks that it has and advise the PCC on all decisions that are made in the organisation, especially where there is a financial impact.

I have extensive experience of both developing and interrogating complex financial models. One such model led to the outsourcing of a significant amount of the support functions within the organisation in a contract worth £175m over 10 years. The entire financial model, reporting and analysis was done by myself as a result of how commercially sensitive the information was and also my experience, skills and ability in this type of work.

I have worked closely and provided advice and support to operational colleagues to enhance financial understanding within the Force, increase the accuracy of budget management and forecasting and make Finance a key partner and contact in business planning.

## **Treasurer/Chief Finance Officer - Cleveland Police Authority (June 2010 – Feb 2012)**

At the end of June 2010 I became Acting Treasurer for Cleveland Police Authority, with this becoming a permanent appointment in October 2010. This is a role that is bound by specific legislative responsibilities and holds a fiduciary responsibility to local tax payers. Section 151 of the Local Government Finance Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs, a responsibility that sits with the Treasurer.

The Treasurer holds the financial reins of the business and ensures that resources are used wisely to secure positive results. Achieving Value for Money and securing stewardship are key components of the role and as such are enshrined in legislation.

Over those 2 years I challenged, supported and guided the Police Force in delivering savings of over £19m, to meet the significant financial challenges that arose from the significant cuts in Government Funding that occurred. While it is generally relatively straight forward to cut costs the real challenge is to provide the same or improved levels of service with less resources. This is a challenge that I think the Authority was able to deliver in 2011/12 and 2012/13. I am confident that the organisation can continue to deliver this going forward.

As the financial advisor to the Police Authority I regularly presented complex and difficult financial concepts to elected Members and non-financial experts so that they are appropriately informed and briefed to make appropriate decisions. I have delivered many presentations and answered searching questions, to not only Members, but also various partners, business leaders and the public around the organisations plans and finances.

As from February 2012 I was given the additional responsibilities as the Deputy Chief Executive for Cleveland Police Authority, one of the key responsibilities was to play a significant role in the transition of the Police Authority and Force through a significant change in the police governance structure with the introduction of directly elected Police and Crime Commissioners becoming the individual with the responsibility for the totality of Policing with a police force area.

I led specifically of the areas of financial change, asset and staff transfers and governance but with an overarching responsibility across all of the 9 work streams that were set up, to deliver this significant change, in how both the Police Authority and Police Force are run going forward, as part of the overall programme board.

## **Head of Corporate Finance (April 2009 – June 2010)**

My appointment as the Head of Corporate Finance, managing a department of 20 incorporating management accounts, treasury, payroll and accounts payable and receivable, on a permanent basis coincided with some significant financial and planning challenges for the Force. In addition to this the Force and Police Authority were looking at working with a Strategic Private Sector Partner to help transform its back office functions through business process re-engineering and the investment in modern IT infrastructure and systems, deliver significant financial savings and provide the emphasis for Work Force Modernisation. I have played a leading role in this and have delivered the following:

- Developed the information and financial model to support the 'Worst Case' scenario plans that were expected to result from reductions in Government Funding. This developed into the Long Term Financial Plan that is currently in place. I also worked closely with the Chief Executive of the Police Authority in developing the strategy for dealing with the financial cuts.
- This strategy centres on driving efficiencies through the Outsourcing of 'Back Office' services and Workforce Modernisation. I played a leading role in the financial assessment, monitoring and work force planning that underpinned the award of a 10 year contract worth £175m that will deliver a minimum of £50m of savings across the 10 years but with an expectation that this would increase to be around £73m.
- In addition to the longer term and planning work I also ensured that the current years' finances were tightly controlled. The Outturns for both 2008-9 and 2009-10 were small under spends, of less than £50k on total expenditure budgets that exceed £140m.
- I have supported the on-going work between Cleveland Police and Durham Constabulary looking at the collaboration on Firearms and Road Policing. I have provided financial advice and a critical analysis of the business cases.
- I have delivered the Statement of Accounts each year to an improving standard, significantly earlier than most Public Sector organisations and each year the Audit Commission have issued an unqualified opinion on the account with very few amendments required.
- I have been part of the Annual Governance Statement and Use of Resources group that has under taken a significant amount of work to bring forward and evidence the good work that is on-going in both the Force and the Authority to demonstrate improvements in these areas. The area that I was primarily responsible for was those that looked at the finances of the Force and Authority and those areas were assessed very highly.
- I have prepared and delivered presentations to Planning Days for the Force Executive and Service Unit Managers as well as individual Service Unit Management Team. These primarily looked at the financial challenges that the Force faces and also the financial and work force implications of the Outsourcing contract.

## **Temporary Head of Corporate Finance (Jan 2008 – March 2009)**

This role, which reports to the Assistant Chief Officer (ACO) Finance and Commissioning, is to provide leadership to, and management of, the Corporate Finance Department and to:

- Provide business focused strategic financial advice and corporate financial reporting that assists the deployment of financial resources in the most effective way to achieve the objectives of the service;
- Ensure that salaries, expenses & creditors are paid within the regulatory framework and agreed terms of trade and that all income due is collected promptly.

During my time within this role I have delivered:

- Proposals for £1.3m worth of savings, which were presented to the Executive before being incorporated into a balanced budget for 2009-10.
- An outturn for 2007/08 that was as per the breakeven position that had been reported to Members throughout the year.
- Financial targets throughout 2008-9 as agreed with Members during the year.
- High quality financial information relating to Revenue and Capital Budgets as well as the Treasury functions of the Force to enable timely decisions and deliver the financial targets required for balancing each years' budget.
- Support and advice to enable the significant investment in handheld mobile devices to all front line officers within the Force to reduce the amount of paperwork that they needed to fill in and the necessity for them to return to the Police Stations during their shifts. My support, advice and guidance allowed the project to be delivered within the financial constraints of the Force.
- Proactive business advice to the Assistant Chief Officer (ACO) and Chief Executive to ensure that Cleveland Police invested surplus funds in the most appropriate Banks and Building Societies to ensure risk was minimised in the uncertain economic climate.
- Reports detailing the implications of the changes to accounting policies that resulted from adopting International Financial Reporting Standard's and suggested ways in which the Force could minimise this impact.
- Presented Budget Monitoring papers, in the absence of the ACO, to the Members of the Police Authority on the Policy and Resources Panel.
- Continuous improvements in department KPI's.

### **Deputy Head of Corporate Finance (Sept 2006 – January 2008)**

Reporting to the Head of Corporate Finance this job required me to provide leadership to, and management of, the Management Accounting and Treasury Management Sections to:

- Enable the provision of business focused strategic financial advice and corporate financial reporting that assists the deployment of financial resources in the most effective way to achieve the objectives of the service;
- Meet statutory and internal reporting requirements.

During my time within this role I delivered:

- A significantly reduced year end reporting timetable, with the final Statement of Accounts available for review for the 15th May when previously they had not been completed until 31st July.
- Reports to the Head of Corporate Finance, by the 8th working day after month end, detailing the current financial position of the force and the forecast outturn for both Revenue and Capital Budgets.
- A monthly Treasury Management Report that focused on investment and loans and provided a Forecast Cash Flow for the coming year.
- Improved confidence, from External Auditors, with the Force in delivering the financial implications and technical accounting transactions that are required as changes in the Statement of Recommended Practice made.
- A robust Long Term Financial Plan that returned the Force to financial balance a year earlier than agreed with the Home Office.
- Support to the Assistant Chief Constable as part of the District Monthly Performance Review processes and ensured the District Management Teams were fully sighted on the future challenges that the Force faced in relation to its finances.
- Recruitment plans for Police Officers and PCSOs to ensure Force targets were being met and that these were being achieved within the budgets that had been set and agreed.

### **Management Accountant (June 2005 – Sept 2006)**

Reporting to the Head of Finance I was brought into Cleveland Police to act as a change agent to introduce modern high quality processes and procedures. My job was to improve the integrity of reporting through developing reporting processes and reports that could be relied upon. My challenge was to lead change through example and coaching and develop the skills of the people within the department.

During my time within this role I delivered:

- A Month end reporting timetable, that provided reports to the Head of Finance by working day 8 after the month end, and got the buy in from the key stakeholders across the Force.
- Good working relationships and made myself the first point of call for all finance related queries.
- The budget for the Force at a detailed level and monitored the performance against this budget on a monthly basis.
- A process for management and reporting of Employee numbers within the Force. In addition, forecasts and trends were used to ensure budgets that constitute around 75% of the expenditure of the Force were fully under control.