

CIPFA in the Midlands

Annual Seminar - 28 November 2017

Andrew Burns

CIPFA President 2017-18

(Director of Finance and Resources, Staffordshire County Council)

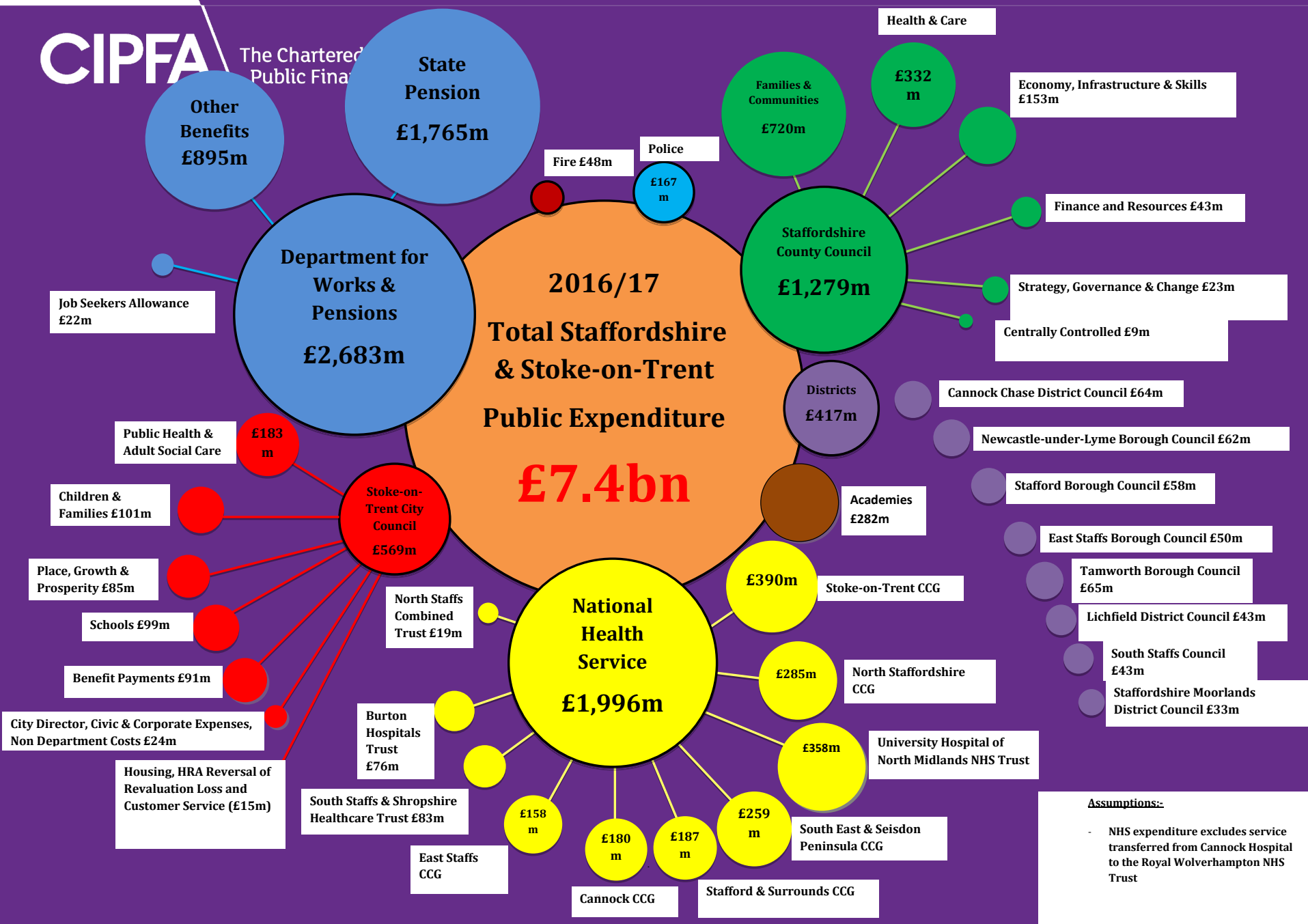
A CIPFA view “State of the Nation”....

- Presidential themes
- International strategy
- UK focus
- Engagements with regions

- Chancellors Budget 2017
- Current topical issues
- Brexit
- Leadership in a VUCA world

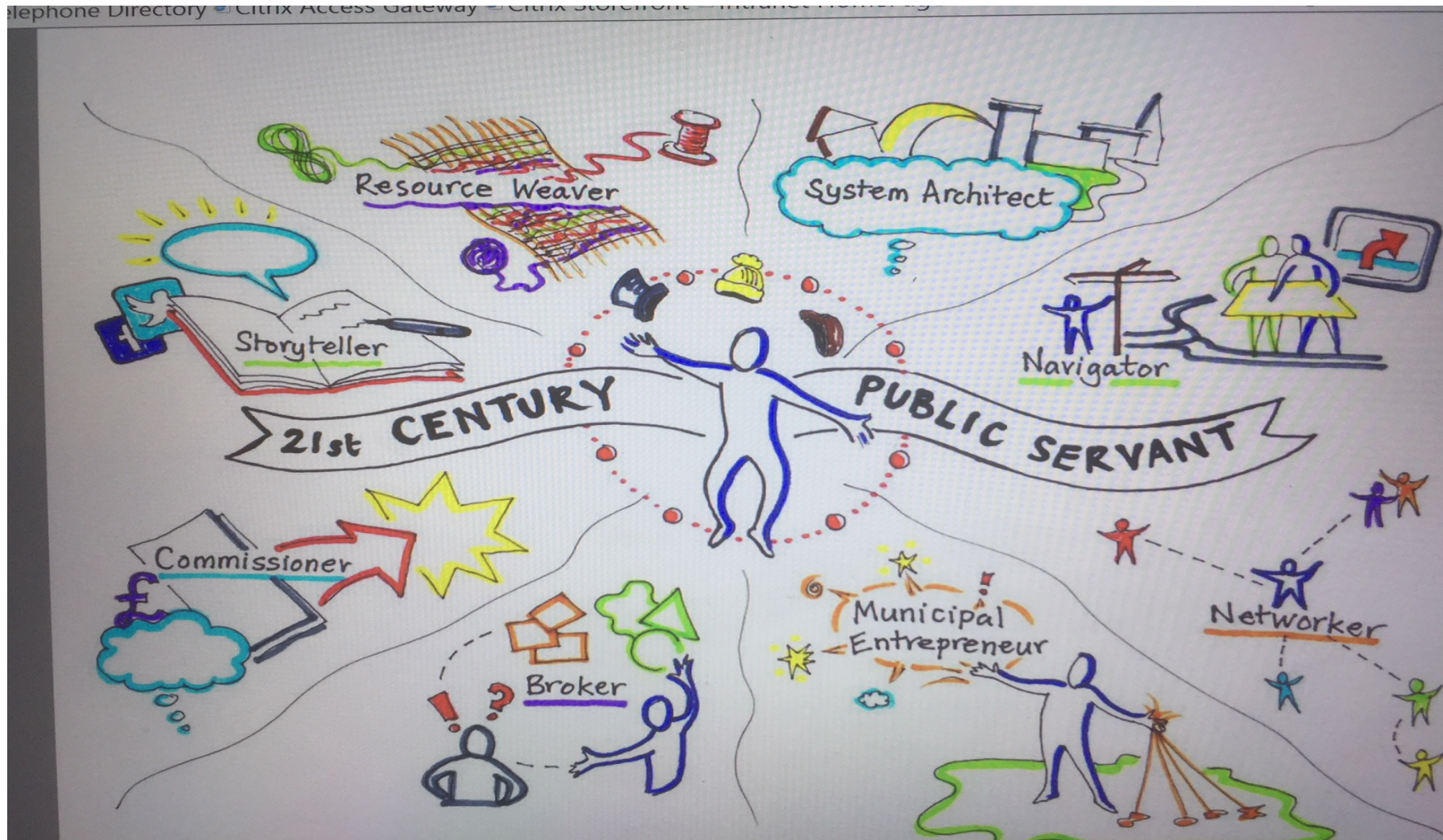
My Presidential themes....

- Medium term financial planning and sustainability - managing balance sheets and capital investment programmes as well as revenue budgets.
- Better alignment and collaboration between local public services - integrated reporting, focusing on the value created by public services not just on financial outcomes.
- Digital, artificial intelligence and automation - impact on the accountancy profession and opportunities to improve public financial management and outcomes for citizens.



Artificial Intelligence and Automation

- Opportunity and/or Threat?
- Replace or Augment Accountants?
- New and different roles?
- Value added business consultants
- Innovation – focus on ‘scale up’ not just ‘start up’



Professionalism means to us

- Rationalist
- Objective & Analytical
- Disciplined in Process & Practice
- Detached & Disinterested
- Concerned for Common Good

Professionalism sounds like

- Unemotional
- Inauthentic & Insincere
- Uncreative Rule Followers
- Uncaring & Dispassionate
- Unconcerned about Individuals

Do we expect professionals to be high functioning sociopaths?



How do we reimagine public sector professionalism for the next thirty years?

E • **Empathy** offers a key antidote to detached professionalism; but it has its biases

E • **Ethics** - is the foundation of public policy; but there's no golden algorithm

E • **Efficiency** - given our growing and ageing societies we can't escape the need for improved cost-effectiveness

CIPFA International Strategy...

.....“The biggest challenges facing CIPFA involve getting the right balance between growing our global influence and membership whilst continuing to focus on developing the core UK service offer in a volatile, uncertain, complex and ambiguous post-election and pre-Brexit environment”.....

- **CIPFA’s Vision Statement:**

“CIPFA – a global leader in public financial management and governance”

Four key aims underpinning vision...

1. To promote excellence in public financial management and governance around the world
2. To serve the public interest by improving public service outcomes
3. To offer an authoritative voice for the accounting and finance profession on public financial management across all levels of government
4. To continue to adopt a straightforward and honest approach towards professional and business relationships

Delivering these aims will require...

- Improve our thought leadership and qualification to meet changing market demands
- Increase and support our members worldwide

UK focus...

Priority Markets

- Health
- Central Government
- Local Government

Key Products and services

- FM Model
- Financial Resilience Reviews
- C. Co (Commercial Joint Venture)
- London Counter Fraud Hub
- Apprenticeships
- Networks and Benchmarking
- CIPFA Property

Engagement with CIPFA Regions...

How can we help each other to....

- Raise our profile and influence
- Increase numbers of members and students
- Develop our services and products.

Chancellors Budget 2017

- Overall state of the public finances with 1.5% pa GDP growth for next five years
- The end of austerity?
- Capital investment .v. Revenue spending
- Housing
- Industrial strategy
- Public sector pay
- NHS (and STPs and ACOs)
- Silence on Social Care (Green Paper 2018)
- Schools funding

Current topical issues....

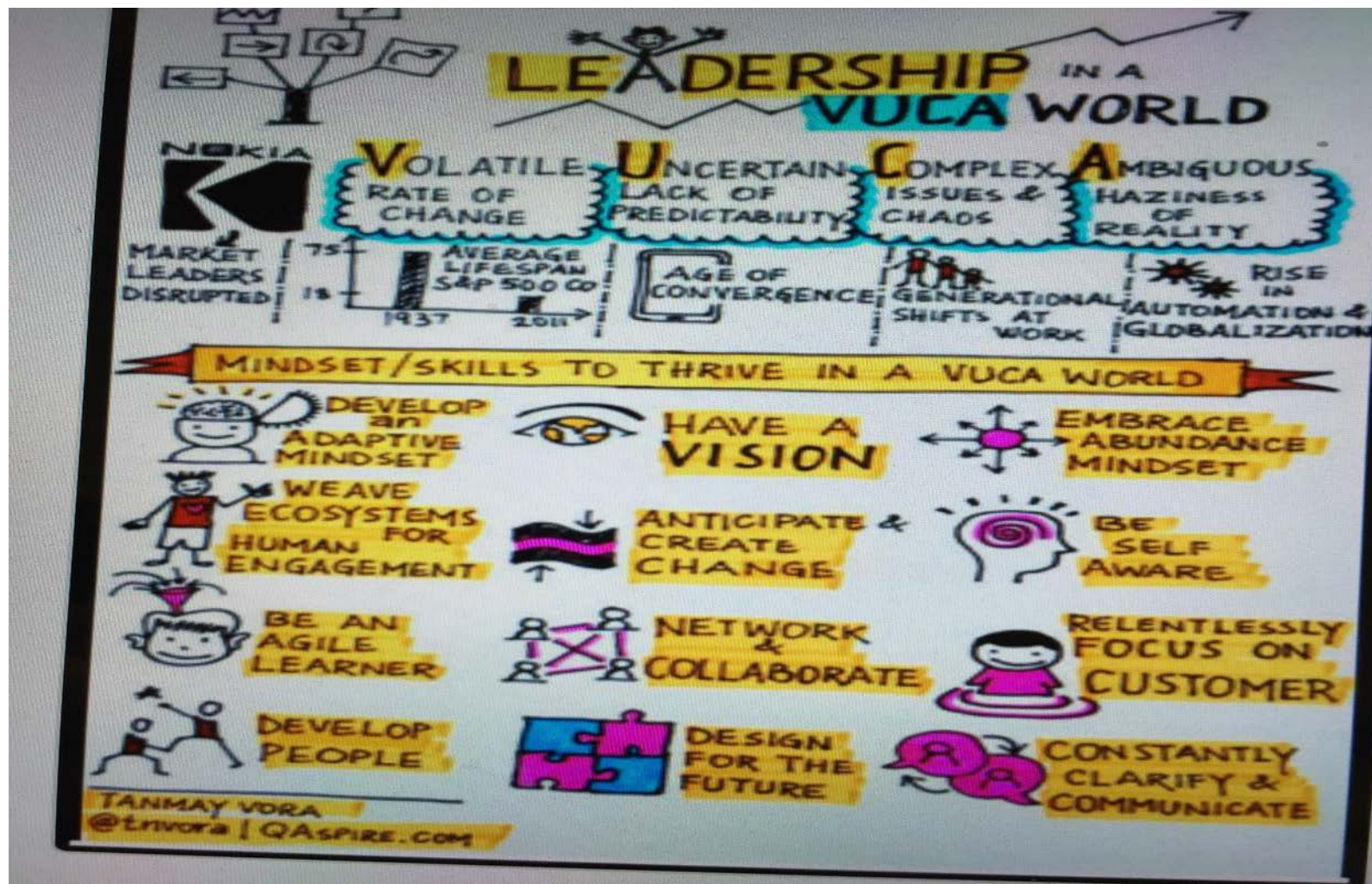
- Commercialisation agenda, property and investments
- Prudential Code, Treasury Management, Capital Strategy and Investment Regulations - Consultations
- Governance issues – CFOs/CEOs/Members (speaking truth to power)
- Fair Funding Review & 100% Business Rates localisation
- Local Authorities Financial Resilience

LESSONS FROM LOCAL AUTHORITY FINANCIAL RESILIENCE REVIEWS

- **Adults and Children's is an 'amber alert'**
- **"Non – Buoyancy' of income is an 'amber alert'**
- Rapidly Declining Reserves
- History of unplanned overspending
- Optimism Bias/Poor Planning in savings
- "Shortened" Medium Term Focus
- Lack of strategic service planning

Brexit....

- CIPFA Brexit Advisory Commission for Public Services
- CIPFA Scotland – impact on Scottish Government and fiscal shocks
- CIPFA Northern Ireland Manifesto – devolved powers and improve governance



New models and styles of leadership

- Leading systems and places, not organisations
- “Dispersed” leadership
- Authenticity and engagement
- Holding volatility, uncertainty, complexity and ambiguity
- Continuous professional and personal development

Collaboration, Collaboration, Collaboration
... with partners, businesses and citizens

Future workforce.....

- Diversity - different perspectives, better questions, richer discussions lead to better answers and performance
- Skills and capability gap – digital skills, predictive data analytics, commercial skills, community engagement, story-telling and psychology
- Shared public service teams in local places
- Challenge to traditional professional roles
- Pipeline of future leaders

What keeps me awake at night?

- Maintaining Financial Grip and Investing in Transformation
- Health and Social Care Integration
- Growing Income and Reducing Demand
- Managing our Balance Sheet
- External Opportunities and Threats (e.g. Brexit, Devo, AI, Digital...)

Final thoughts....

- On Leaders as dealers in hope
- “....Optimism of the will versus the pessimism of the intellect....”
- The digital era is only just beginning!

Questions and discussion



Andrew Burns
President, CIPFA

President@cipfa.org

For more info.....

Andrew Burns
Director of Finance
and Resources

Tel: 01785 276300

Mobile: 07875 004268

andrew.burns@staffordshire.gov.uk

twitter: @CFOstaffscc

