

**Scottish Police Authority Finance Committee
18 December 2017
Minute of Public Meeting**

Meeting	Scottish Police Authority Finance Committee Public Session	Date/Venue	18 December 2017, Pacific Quay, Boardroom
Meeting Called By	Elaine Wilkinson, Chair	Start Time	09:30
		End Time	10.55

Members Present		In Attendance	
Name	Title	Name	Title
Elaine Wilkinson (EWilkinson)	Chair, Authority Member	James Gray (JGray)	Interim Chief Financial Officer, Police Scotland
Iain Whyte (IWhyte)	Authority Member	Tom McMahon (TMcMahon)	Interim Director of Business Integration & Delivery, Police Scotland
Caroline Stuart (CStuart)	Authority Member	Amy McDonald (AMcDonald)	2026 Forensics Modernisation Programme Manager
Grant Macrae (GMacrae)	Authority Member	Ann Thomson (AThompson)	Head of Finance, Assets and Sponsorship Unit Scottish Government
		Deborah Christie	Committee Co-ordinator, Scottish Police Authority

1. Opening Remarks (Elaine Wilkinson)

1.1 Welcome and Introduction

1.1.1 The Chair welcomed attendees to the Public Session of the Finance Committee. Committee Meeting.

1.2 Apologies (Elaine Wilkinson)

1.2.1 Apologies were received from David Page and Colette Sherry.

1.3 Declarations of Interest (Elaine Wilkinson)

1.3.1 There were no declarations of interest.

1.4 Any Other Current Business (Elaine Wilkinson)

1.4.1 There were no items of AOCB brought forward.

1.5 Committee Business Conducted Since Last Meeting (Elaine Wilkinson)

1.5.1 There were no items of business conducted since the Finance Committee last met.

2.1 Approval of Minute of Public Finance Committee Meeting held 08th November 2017 (Elaine Wilkinson)

2.1.1 Members agreed the Minute was an accurate reflection of the discussion on the 08th November 2017.

2.2 Summary of Business Conducted at Finance Committee Closed Session held 08th November 2017 (Elaine Wilkinson)

2.2.1 Members noted the report.

2.3 Finance Committee Public Rolling Action Log Review (Elaine Wilkinson)

2.3.1 Members noted the updates provided and the ongoing work in respect of ongoing actions.

2.3.2 In relation to action FC-PS-20171108-001 and FC-PS-20171108-002, the Chair clarified that Finance Committee Members expected an update that focused on the project timeline, financial considerations, capital investment required, risks and overall cost as it was these areas the Board would seek assurances from the Committee on.

3. Matters Arising

3.1 There were no matters arising.

4.1 17/18 Monthly Financial Performance Report (Period 7) (James Gray)

4.1.1 JGray provided an overview of the report.

4.1.2 Members sought clarity on the projected VR/VER savings figures. JGray explained that the current forecast savings for people exiting the organisation under the VR/VER scheme was £0.7m which equated to 93 people and the forecast would not be for any more to leave in year. JGray explained that work would continue to identify leavers but this would have no impact on the current year budget. Members questioned if there was sufficient time to allow newly identified leavers to exit before the 31st March 2018. JGray explained that technically there was sufficient time but the reality was that the organisation would not see significant numbers of leavers. Members were informed that a list of staff who had expressed interest in leaving existed however the list needed to be refreshed as it was now out of date. Members expressed concern at the lack of pace behind the work to refresh the list. Members asked what financial planning had been done with a longer term vision. JGray explained that the planning had assumed for process efficiencies and change within corporate services which had not been realised as early as assumed and as such the releases had not occurred across the organisation. It was explained that the revised plans for corporate transformation would see the organisation in a better place to release people by next financial year. Members were provided with an assurance that work was underway to identify people in 2017/18 for whom their VR/VER could be accrued from the current reform allocation and this would be done before 31st March 2018. JGray clarified that the request for reform funding for VR/VER would be a reduced amount.

4.1.3 Members requested a timeline be brought forward to provide them with assurances that a clear plan was in place to ensure appropriate scheduling of work required to progress VR/VER releases by 31st March 2018 and into the 18/19 year. Members requested a timeline to include details of the planned internal comms activity to ensure all staff are aware of work. Members requested an assurance that all the managers involved across the organisation were aware of the timelines to progress the work. **ACTION FC-PS-20171218-001**

4.1.4 Members questioned if budget holders within the organisation understood the accountability and consequences in relation to the budget management. JGray explained that he believed budget holders understood that funds couldn't be carried forward however were not fully aware of the consequences involved in relation to the spends being made. Members agreed that to allow them to monitor progress through the year, future Capital/Revenue and Reform budgets reflect profiling of spend throughout the year. It was agreed this would provide early indication of any slippage and would flag emerging risks.

ACTION FC-PS-20171218-002

4.1.5 JGray assured Members a significantly more robust approach to Capital planning would be in place for future financial years. Members were further assured that contingency plans would be established should areas of Capital spend need to be brought forward at pace for the current financial year.

4.1.6 Members noted a significant amount of the future Capital Spend came from the ICT function and in the absence of an ICT Strategy Members lacked an understanding of the spend profile, business case development and benefits. Members requested a timeline for ICT Business Cases to be provided to Committee with a timeline for the ICT procurement and details of projected spend. Members requested for this information to provide them with an evidence base upon which Members will take future assurances in relation to the planned activity. It was agreed this should be brought forward to the February 2018 Finance Committee. **ACTION FC-PS-20171218-003**

4.1.7 JGray took Members through the changes to the Reform Budget and highlighted THRIVE as being the main area of change. Members were advised that there would be more slippage seen in the next report. Members noted the budgets for future years would address any slippage from 2017/18 as agreed. JGray explained that the 3 year plan would include milestones and this would enhance the future reporting to Committee.

4.1.8 Members noted the report and the generated actions.

5. SPA Forensic Services Draft Budget Monitoring and Month End Guidelines (Amy McDonald)

5.1 AMcDonald provided a summary of the report explaining that the guidelines were based on the format that was already in use by Police Scotland. AMcDonald noted a correction was required in the Core Budget Principles section to reflect that the management of staff numbers would be the responsibility of the Director of Forensic Services and not, as stated in the report the Director of Financial Services.

5.2 Members sought clarity on what was planned to ensure non finance managers understanding of budgets was improved. AMcDonald explained that managers were currently well informed on their costs but work was planned to further improve understanding of fixed costs and variable costs. Members noted this planned work and asked for increased focus on staff productivity too.

5.3 Members commented on the duplication in the paper and requested that it be subject to review of end users within the Forensics function to ensure it made sense to them. Members also asked that Police Scotland Finance colleagues be given the opportunity to review the guidelines before they were brought back to the Committee. **ACTION FC-PS-20171218-004**

5.4 Members noted the paper and noted that the draft would be represented to the Committee if due course.

6. British Transport Police Financial Update (James Gray)

6.1 JGray explained that Police Scotland were currently seeking to appoint a professional services firm to lead on a discover piece of work to establish the landscape with a view to breaking down what work would then be required. JGray explained that this information would inform future decisions in relation to the project. Members sought clarity on how the work would be split. JGray explained that it was likely the finance elements would be dealt with as a separate package to allow work to start immediately.

6.2 Members requested that plans be made to allow appropriate input from within Police Scotland to ensure a joined up approach between the external advisors whilst taking cognisance of the internal knowledge from within Police Scotland.

6.3 Members noted that a more detailed update would be provided at the June Finance Committee. **ACTION FC-PS-20171218-005**

7. 2018/19 Budget Time Table and Plan (James Gray)

7.1 JGray provided a summary of the work that had been done and that was underway to develop the budget for 2018/19.

7.2 As discussed during the Period 7 report discussion, members commented that they would take their assurances from having sight of a timeline for spend and agreed this should be incorporated into the budget. JGray confirmed the draft budget and plan would be brought forward to the Committee in February and this information would be included.

7.3 Members agreed the Director of Transformational Change should attend the Finance Committee Workshop to provide them with an overview of the planned ICT transformational activity across the organisation. Members urged for early engagement to allow them sufficient opportunity for input. **ACTION FC-PS-20171218-006**

7.4 Members noted the paper.

8. Committee Work Plan (Elaine Wilkinson)

8.1 Members noted the Committee Work Plan.

9. AOCB

9.1 No items of AOCB were brought forward.

Public Session ended 10:55 hrs

End.