

<b>Meeting</b>	<b>Public SPA Board Meeting</b>
<b>Date</b>	<b>24<sup>th</sup> August 2017</b>
<b>Location</b>	<b>Stirling Court Hotel, Stirling</b>
<b>Title of Paper</b>	<b>Finance Committee Chair Report</b>
<b>Item Number</b>	<b>15.2</b>
<b>Presented By</b>	<b>Elaine Wilkinson</b>
<b>Recommendation to Members</b>	<b>For Noting</b>
<b>Appendix Attached:</b>	<b>NO</b>

**PURPOSE**

To provide the Board with an update on business progressed through the Finance Committee on the 28<sup>th</sup> June and 3<sup>rd</sup> August 2017.

CLOSED

### **Draft 3 Year Financial Plan ONGOING**

**Rationale – SPA Governance Framework Section 28 (e)** *where any of the information to be discussed is commercially sensitive, financially sensitive, relates to proposals for significant organisational change or to significant changes to the terms and conditions of staff.*

Members discussed the development of the 3-year financial plan with PS Finance representatives and made a number of suggestions around the approach being taken and what members would be keen to see included as the plan develops. Specifically members were keen to get clarity around the financial plan's alignment with the 3 year transformation plan and to understand the anticipated timelines for the development and finalisation of the supporting workforce plans, ICT Strategy and Estates plans.

### **Non-Competitive Actions – Review ONGOING**

**Rationale – SPA Governance Framework Section 28 (e)** *where any of the information to be discussed is commercially sensitive, financially sensitive, relates to proposals for significant organisational change or to significant changes to the terms and conditions of staff.*

Members considered a comprehensive paper which set out a list of all contracts awarded under Non-Competitive Action (NCA), including the start/end dates, plans on termination, and timelines for future procurement exercises. This gave members the assurance that NCAs are now being better managed with sufficient lead-in time planned for any renewals. A six-monthly review of the NCA database is now scheduled in the Finance Committee workplan.

### **Business Cases NEW**

**Rationale – SPA Governance Framework Section 28 (e)** *where any of the information to be discussed is commercially sensitive, financially sensitive, relates to proposals for significant organisational change or to significant changes to the terms and conditions of staff.*

Members considered initial business cases for the Interim Payroll Solution and a Vehicles Telematics solution to enable the tendering process to commence. Members also considered a number of ICT cases which will come to the full board for approval in due course. The main comments arising from the consideration of the ICT business cases were around the

importance of having the ICT Strategy considered as soon as possible to understand the fit of the ICT business cases within the overall ICT Strategy; the need to include more information on savings and potential benefits arising from the investments; and why in ICT cases, PS had chosen not to work with a strategic partner to realise various benefits.

## **PUBLIC**

### **2016/17 Indicative Outturn ONGOING**

Members have continued to review any changes to the 2016/17 indicative out-turn to establish if anything emerging had the potential to impact on the 2017/18 forecast. Specific areas considered included Police Officer Temporary Promotions, Officer Allowances, VR/VER Spend and staff savings, Premises and capital financing charges.

As there had been a delay in updating the financial reports for the Spring Budget revisions Members have asked that Autumn and Spring estimate returns are shared with Finance Committee in the future and that the finance reports to the Board should also start with confirmation of the SG funding levels so that we keep track of this in future years.

### **2017/18 Monthly Financial Performance Report NEW**

Members welcomed the improvements that had been made to the financial reports and commended Police Scotland Finance on the quality of the material provided in the Quarter 1 report. While the report indicated a potential £2m underspend on revenue members were not confident that this could be achieved by year-end due to the uncertainties remaining on efficiency targets and plans. This underspend is also non-recurrent in nature. Members also explored what opportunities were available to progress both capital and reform spend in line with 2026 strategy.

### **Financial Management & Control Improvement Plan Review ONGOING**

Members were appraised of the work underway and planned to stabilise and fix the Finance Structure, to establish the foundation in year and to transform in 'year three'. There have been a number of very welcome improvements across the finance function. Members requested that consideration be given to how the management accounting function could be further developed and strengthened

The Finance Committee will next meet on the 14<sup>th</sup> September 2017.