

Meeting	Public SPA Board Meeting
Date	28 September 2017
Location	Jurys Inn, Inverness
Title of Paper	Finance Committee Chair Report
Item Number	15.2
Presented By	Elaine Wilkinson
Recommendation to Members	For Noting
Appendix Attached:	NO

PURPOSE

To provide the Board with an update on business progressed through the Finance Committee on 14 September 2017.

CLOSED COMMITTEE

National Database Enquiry Unit (NDEU) Business Case 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 understood and were generally supportive of the option being recommended to the Board. While the financials were not the key criteria in the business case they felt that there was a requirement for the Business Case to be revisited and revised to ensure that it reflected appropriately the key criteria against which the different options were being assessed. It was agreed that Finance Colleagues would work with the C3 team to refresh the paper to ensure the detail was up to date and reflective of the key criteria.

2017/18 Financial Plans 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 likely timing and requirements for the Autumn and Spring budget reviews and the Annual Spending Review, with input from Scottish Government. Members sought an assurance that the key dates would be clarified and a timeline developed by Police Scotland Finance for the in-year budget returns and Spending Review submission to Scottish Government. It was recognized that this should enable relevant scrutiny and oversight by the Finance Committee and the Board.

Financial Planning 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.

2017/18 Financial Plans

Members discussed the need for appropriate oversight of the Forensic Services Budget and requested that work be done to strengthen the support provided to the Director of Forensic Services and his team in this regard. It was agreed that a Forensic Services Budget addendum would be brought forward at future Committee meetings to provide Committee Members with oversight of Forensic budget.

Members noted that the detailed plans for DCC/DCO efficiencies would be discussed at the Police Scotland Corporate Finance & Investment Board

and then would thereafter be shared with the Committee. Members explained that they needed increased visibility of the plans to allow them to provide the Board with the necessary Committee assurance on the work.

2018/19 Budget Development

Members considered the Budget Strategy, Guidelines and Timetable that had been developed by PS Finance. Members were assured by the approach being taken and the planned training for budget holders across the organisation. Members again asked for a similar approach to be taken in relation to Forensic Services.

3 year financial plan

Members considered a draft of the 3 Year Financial Plan which provided an updated high-level assessment to Members of the financial resources required to deliver the organisation's strategic priorities and essential services over the next three years at the same time as eradicating the current operating deficit to achieve a balanced budget. The report captured how investment in change and transformational activity during this period will enable the organisation to deliver significant productivity gains which will be used primarily to enhance the operational effectiveness of the Police Service. It was noted that a similar plan needed to be developed for Forensic Services.

10 year financial strategy

Members noted how the draft long-term financial strategy was developing recognising that it would need refreshed again in Spring 2018.

British Transport Police (BTP) Financial Review and Due Diligence – Timelines, Roles and Responsibilities NEW

Scottish Government, SPA and Police Scotland representatives from the BTP Project Board attended the Committee Meeting to provide Members with an overview of the continuing work in relation to the financial aspects of the planned integration of BTP staff and officers. Members were reminded the work was complex and unprecedented with many significant financial implications. It was further noted that the timelines to complete the work were very tight. Members sought assurances that work was being done to ensure that whatever solution was found to be the appropriate way forward, it involved no detriment to the current services provided by Police Scotland and that it involved no cost pressures to the SPA Budget.

The Chair confirmed that due to the financial implications across this project, the matter would be added to the Committee Agenda as a standing item. It was noted that future discussion was planned on the Pensions Implications and Due Diligence.

PUBLIC COMMITTEE

2017/18 Monthly Financial Performance Report (Period 4)

ONGOING

Members considered the report which reflected an overspend in the revenue budget of £0.1m. The overall SPA budget was set with a deficit of £47.2m and this projected overspend increases that deficit to £47.3m. The Capital budget forecasted an underspend of £15.7m at this stage and Members noted that work was on-going to identify areas where in year capital investment could be progressed.

With regards to the Reform budget, it was noted that the underspend for the year is forecast at £19.8m as plans are not as yet sufficiently developed to utilise this budget which will enable transformational change across the organisation. Members were assured the work is underway to accelerate change initiatives and it is expected that this will result in plans which will require reform spending in 2017-18.

The Finance Committee will next meet on 08 November 2017.