

**SCOTTISH POLICE
AUTHORITY**

Meeting	SPA Board Meeting Public Session
Date	Tuesday 28th November 2017
Location	Stirling Court Hotel, University of Stirling FK9 4AE
Title of Paper	Finance Committee Chair Report
Item Number	14.2
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 08 November 2017.

1. 17/18 MONTHLY FINANCIAL PERFORMANCE REPORT (Q2) – ONGOING

1.1 As a result of the £10 million improvement in the forecast out-turn mostly relating to underspends on police staff Members sought assurances from Police Scotland that robust risk assessments were taking place within the service before decisions were made to allow staff to leave or to leave posts vacant. The Committee sought assurance in particular around areas of policing activity including custody and intelligence analysis, which staff associations and unions have raised as areas of potential risk through their engagement with SPA.

1.2 David Page provided assurance on Police Scotland's approach, and Committee Members reinforced their expectations that the impacts on workforce health wellbeing would be balanced with the need to reduce costs, and that a smaller workforce would not simply be asked to absorb the same levels of work.

1.3 Police Scotland updated the Committee that in the areas of custody where an operating model was becoming clearer but was still under development, there would be imminent steps to begin recruitment of permanent specialist custody staff and so begin to reduce the temporary reliance on backfilling by police officers. In other areas which were still subject to review, like analysts, further work was taking place internally about managing down and reprioritising internal demands.

1.4 In discussion on projected levels on capital spend Members tested the service's assessment of confidence levels across the service on delivering this, given previous reports indicating projected underspends that might require to be returned to the Scottish Government. Assurance was received and members will be holding Police Scotland to account for delivery of that revised position. Similar points were made in respect of projected reform spend.

2. CAPITAL PLANNING STRATEGY - (NEW)

2.1 Members noted the update on the development of the Capital Planning Strategy in respect of the Capital Budget setting process for financial year 2018/19 and were assured that the planned work would be supported by improved processes, enhanced change management, appropriate training and additional resources.

3. BRITISH TRANSPORT POLICE FINANCIAL UPDATE – (NEW)

3.1 It was reported that due to the complexity of the work required and the specialist nature of due diligence, transition and integration process, it had been agreed internally that a procurement exercise will be

undertaken to appoint an external Professional Services firm to undertake this work. Members continue to express concerns about the lack of timeline for the work and were informed that this should be clearer by the early part of 2018. DPage assured Members the MTT Programme were working to capture all costs associated with the work and this would include opportunity costs.

4. Review of TOIL/Annual Leave Management – (NEW)

4.1 Members were provided with a briefing on the current levels of TOIL and Annual Leave and how both were being managed. The Committee requested that the management of these areas be monitored by the People Committee as part of the regular reporting with any areas of concern with potential significant Financial Implications to be highlighted to Finance Committee.

5. Officer/Staff Numbers by Rank/Grade and Numbers of Temporary Promotions – (NEW)

5.1 Members were provided with a briefing on the current levels of Temporary Promotions and were given with an assurance that the organisation was not carrying any unnecessary Temporary Promotions and these were for justifiable reasons. Members were told that there had been attempts to benchmark against other forces but the required information wasn't readily shared. Members agreed they would like to see this data incorporated into the regular quarterly reports (tracked against budget) to the Finance Committee to provide oversight of the issue.

6. Spending Review Submission and Autumn and Spring Budget Revisions – Timelines and Proposed Returns – (NEW)

Item taken in Private in accordance with SPA Governance Framework, Section 27 (e) – financial and commercial sensitivity

6.1 Members were briefed on the on-going work to finalise the planning assumptions for 2018/19 and 2019/20. The Committee requested that additional work be done to ensure the SPA Forensics requirements were fully considered and incorporated. Members also requested clarity on the process for SPA Forensic Business Cases to be approved and it was agreed this would be provided at a future meeting.

7. Reform Expenditure – Timeline and Roles – (NEW)

Item taken in Private in accordance with SPA Governance Framework, Section 27 (e) – financial and commercial sensitivity

7.1 Members were updated on the Business Cases currently in process, the associated timelines and approvals required prior to submission to Scottish Government to request a drawdown of Reform Funding.

Members received an assurance that the Police Scotland Finance Team would continue to work closely with the Director of Transformation Change to ensure a close alignment of the projects and the required approvals and governance with both Police Scotland internal governance and SPA/Scottish Government Approvals being considered and scheduled.

8. Commercial Excellence Programme – Progress Review – (NEW)

Item taken in Private in accordance with SPA Governance Framework, Section 27 (e) – financial and commercial sensitivity

8.1 Members were updated on the progress of the Commercial Excellence Programme since it was approved in June 2017. It was noted that a number of delays had impacted on the projected timeline for in-year savings however confirmed that they would be realised in the next financial year. Members noted that Key Commercial Excellence Programme mobilisation activities had been completed. An update will be presented to the SPA Board in February 2018.

9. Police Scotland Finance Transformation Programme – Presentation – (NEW)

Item taken in Private in accordance with SPA Governance Framework, Section 27 (e) – significant organisational change, or significant changes to the terms and conditions of staff

9.1 Members were provided with an overview of the work to date in relation to the Finance Transformation programme. An assurance was provided that plans were in place to ensure a successful transfer of knowledge from the external staff who had been working with Police Scotland on this project.

10. Procurement – (NEW)

Item taken in Private in accordance with SPA Governance Framework, Section 27 (e) – financial and commercial sensitivity

10.1 The Committee considered a number of Recommendations for Contract Awards and subject to some minor changes, endorsed the proposals for Board Approval.

11. Business Cases – (NEW)

Item taken in Private in accordance with SPA Governance Framework, Section 27 (e) – financial and commercial sensitivity

11.1 The Committee considered a Full Business Case for Transformational Resources requesting some amendments and additions before it is submitted for Board approval. An Initial Business Case for procurement and implementation of a Digital Integrated Communications Control System (ICCS) was also discussed.

12. Payroll Interim Solution – (NEW)

Item taken in Private in accordance with SPA Governance Framework, Section 27 (e) – commercial sensitivity

12.1 A verbal update was provided to appraise Members that work was progressing to address the issues being faced in relation to payroll provision and the project plan had been revised. It was confirmed that the March implementation date would not be met and a review was planned to establish what needed to be done and when the revised completion date would be. A further update will be brought forward to the Finance Committee in December.

13. DCC/DCO Efficiency Plans (David Page) – (NEW)

Items taken in Private in accordance with SPA Governance Framework, Section 27 (e) – financial and commercial sensitivity

13.1 Members received an update on work that had been done to establish a range of savings and cost reduction options across the organisation in 2017/18. Members were informed that whilst the initial savings identified were higher than budgeted they were mostly non-recurring in nature. The priority in Police Scotland was now to try to identify year 2 and 3 efficiencies. Members noted that the Police Scotland Directors had a planning session scheduled to discuss ways in which efficiencies could be realised.

13.2 Members discussed the need for transformation projects and efficiency initiatives to be risk assessed in terms of their impact on operational policing, and have a clearly defined set of measurable benefits and associated timescales to allow progress to be monitored and budget holders to be held to account. Members were assured that training was planned to give 'non-finance' managers an enhanced understanding of budget management.

13.3 Members agreed that this was a cultural change and it would take some time to become embedded in the organisation with sustained activity necessary to see a shift in the culture and changes in behaviours.

The Finance Committee will next meet on 18 December 2017.