

**Finance and Investment Committee
09th August 2016
Minute of Public Meeting**

Meeting	Scottish Police Authority Finance and Investment Committee Public Session	Date/Venue	09 th August 2016, Pacific Quay, Glasgow
Meeting Called By	Elaine Wilkinson, Chair	Start Time	10:00
Reference Meeting No	FI-025	End Time	11:15

Members Present		In Attendance	
Name	Title	Name	Title
Elaine Wilkinson (EW)	(Committee Chair) Authority Member	Deputy Chief Constable Designate Iain Livingstone, Police Scotland (DCCIL)	Deputy Chief Constable Designate, Police Scotland
David Hume (DH)	Authority Member	Chief Superintendent Craig Naylor (CN)	Head of Organisational Development, Police Scotland
Iain Whyte (IW)	Authority Member	Gordon Downie (GD)	Head of ICT Commercial Strategy & Procurement Police Scotland
Graham Houston (GH)	Authority Member	Colette Sherry (CS)	Head of Corporate Procurement, Police Scotland
		Alison Dougall (AD)	Head of Management Accounting, Police Scotland
		Amy McDonald (AM)	
		James Gray (JG)	Interim Chief Financial Officer, Police Scotland
		John Foley (JF)	Chief Executive Officer, Scottish Police Authority
		Karen Kelly (KK)	Interim Chief Financial Officer, Scottish Police Authority
		Deborah Christie (DC)	Committee Co-ordinator, Scottish Police Authority

OPENING REMARKS

1 Chair's Opening Remarks (Elaine Wilkinson)

The Chair welcomed attendees and observers to the Public Session of the Finance and Investment Committee.

1.2 APOLOGIES

NOT PROTECTIVELY MARKED

No Apologies were received.

1.3 DECLARATIONS OF INTEREST

Members were invited to declare if they had any financial or non-financial interests in respect of the items of business on the agenda. There were no declarations.

1.4 AOCB

There were no items of AOCB brought forward.

2.1 - APPROVAL of MINUTES (Elaine Wilkinson)

The Minute from the Finance and Investment Committee Meeting held 11th May 2016 were agreed as an accurate record.

2.3 - REVIEW of ROLLING ACTION LOG (Elaine Wilkinson)

2.3.1 Members noted the updates and recommendations for closure as recorded in the Rolling Action Register.

1015 hrs Malcolm Pringle and Hilary Pearce joined the meeting.

3.1 – 2015/16 Out-turn (James Gray)

3.1.1 JG provided a brief summary of the Period 11 Forecast vs outturn report presented to Members at the Board meeting on 20th June 2016. JG invited Members to note the table at 2.12 which contained a number of adjustments reducing the total from £1,031.703m to £1,023.093m.

3.1.2 JG advised there was an incorrect figure in para 2.12 stating that column E should be '0' and not '984'.

3.1.3 In relation to 'other employee costs' and the £4.6m of VR/VER costs which was reported as having been reversed out of the balance sheet as a year-end adjustment, Members sought clarity on this matter and what this meant for the anticipated reduction of staff numbers. JG commented this was a 14/15 matter which had appeared in the 15/16 balance sheet as an accrual and that he believed it was as a result of fewer staff leaving the business than had been anticipated. Members requested a clearer understanding of where the £4.6m was therefore used.

3.1.4 Members noted the way in which the allocation of Reform funding had been reported and requested that this be revised to ensure clear reporting of forecasts and the funding. Members agreed this would produce a transparent report and would assist with future monitoring and reporting of how Reform funding had been used. **ACTION FIC-20160809-002 (II)**

3.1.4 Members requested an explanation of the reversal in the VR/VER provision as reported in the paper at para 2.8. JG advised that this was a release of an accrual that had been reflected as a cost in the previous financial year and as the money

was not spent, the figure remained in the balance sheet. JG explained that as the £4.6m was then subsequently not used for VR/VER costs, it was then reversed out in the following financial year. JG confirmed this was a one off benefit.

3.1.5 Members sought an assurance that any changes would be reported in a virement report to the F&I Committee. JG confirmed this would be the case.

ACTION FIC-20160809-002 (III)

3.1.6 EW stated that a budget overspend was not an acceptable position for a Public Sector organisation to be in. With reference to table at 2.7, Members requested an explanation on the variances within Police Officer costs to be provided on the significant change in 'allowances' from previous forecast and subsequent change to 16/17 budget. Members agreed they needed to understand the changes as they would have impacts on the current year. **ACTION FIC-20160809-002 (I)**

3.1.7 Members requested a detailed report outlining all virement that has been made from the detailed budget presented to F&I on 11 May 2016 to get to the budgeted position now being reported. JG agreed to provide this detail. **ACTION FIC-20160809-002 (II)**

3.1.8 Members did not accept Police Scotland's Finance proposal to include VR/VER staff savings in other costs rather than Police Staff costs and requested that relevant staff costs should all be captured in Police Staff costs and delivery of savings would then show reductions in this line going forward. Members requested the report be revised to report this in a clearer style. **ACTION FIC-20160809-002 (IV)**

3.1.9 Members NOTED the 2015-16 outturn position and movements in the 2016-17 budget and NOTED the associated actions to provide additional information and to improve the clarity of future reports.

3.2 Quarter 1 – Out – Turn /Year End Forecast Against Budget (James Gray)

3.2.1 JG provided Members with a summary of the paper and indicated the Closed Session paper would provide additional detail.

3.2.2 JFol informed Members the target was to reduce the revenue over-spend and significant efforts would be put into this moving forward. Members agreed the main area of focus needed to be in reducing the revenue spend. DCCIL assured members the operational focus was very much on the Revenue Overspend and the intention was to review the rank ratios and supervisory span and it was expected this would result in some efficiencies.

3.2.3 Members sought clarity on the reasons for the SPA Corporate overspend. JFol advised this was due to the phasing of the budget and the timing of some staff and legal costs. AM assured Members she would be able to provide a forecast that

would detail the planned delivery and agreed this would be brought forward to the next F&I Committee. **ACTION FIC-20160809-003**

3.2.4 Members requested that, given the significant overspend in Police Officer and Police staff costs information on projected profile of officer (by rank) and staff numbers (by salary range) by month through to March 2017 to be brought forward to the next Committee. DCCIL agreed this would be done and asked Members to note there was a robust workforce management plan in place to address this.

ACTION FIC-20160809-004

4. Charging for Goods and Services – Events and Other Services (James Gray)

4.1 JG provided a summary of the paper and invited Members to note the 2016/17 rates had not been finalised as these would be dependent on the settlement of a pay award. JG also advised a review was planned to ensure a full cost recovery was being achieved.

4.2 Members agreed the current position was vastly improved from the legacy arrangements and the common approach was very much welcomed however agreed the time was appropriate to review the approach. **ACTION FIC-20160809-006**

4.1.1 Members **AGREED** to an uplift in charges subject to building in a NI increase and a forecast pay award and a pricing schedule to be issued indicating a review of charges would take place by 1 April 2017.

5.1 Sale of 12 Nicholson Street, Kirkwall (Colette Sherry)

5.1.1 CS provided a brief summary of the proposal to Members. There were no questions or comments.

5.1.2 Members **APPROVED** the disposal of the surplus police house at 12 Nicolson Street, Kirkwall, to Orkney Islands Council for the sum of £95,000.

5.1.3 Members **AGREED** to instruct the Interim Head of Legal Services to conclude Missives with Orkney Islands Council and complete the sale of the property.

5.2 Disposal of Chambers Street, Edinburgh (Colette Sherry)

5.2.1 CS provided an overview of the proposal to Members. There were no questions or comments.

5.2.2 Members **AGREED** to declare the existing office at Chambers Street, Edinburgh surplus to operational requirements of the Scottish Police Authority and Police Scotland.

5.2.3 Members **AGREED** to Authorise Police Scotland Estates and Legal personnel to carry out the disposal of the property at Chambers Street, Edinburgh, in accordance with the Scottish Public Finance Manual (SPFM) and/or approval of the Authority's Accountable Officer under the SPFM and to report the results of this disposal to the SPA.

5.3 Lease of Accommodation, Linlithgow Partnership Centre, 89-91 High Street, Linlithgow (Colette Sherry)

5.3.1 CS provided an overview of the proposal to Members.

5.3.2 Members sought clarity on what, if any standard branding was applied to co-location projects. CS advised this was to be discussed and the agreed solution would allow the public to easily recognise the Police Scotland involvement.

5.3.3 Members **APPROVED** the main terms and conditions detailed in this report of the lease of accommodation at the Linlithgow Partnership Centre and on other terms and conditions to be agreed by the Head of Estates and the Interim Head of Legal Services.

5.3.4 Members **AGREED** to instruct the Head of Estates and Interim Head of Legal Services to conclude an agreement for the lease of the accommodation on behalf of the Scottish Police Authority.

5.3.5 Members **AGREED** that subject to the relocation to the Linlithgow Partnership Centre, to proceed with the disposal of the Police owned offices at A/4 High Street, Linlithgow, and the adjoining office at 2A Court Square, High Street, Linlithgow, plus outbuildings and to report the outcome of this disposal to a future meeting of the SPA for approval.

5.4 Licence of Equipment Rights to Airwave Solutions Limited at Blackfordhill Radio Tower (Colette Sherry)

5.4.1 CS provided an overview of the proposal to Members. There were no questions or comments.

5.4.2 Members **Agreed** to **APPROVE** a site sharing licence to Airwave Solutions Ltd at the Blackfordhill Radio Tower on the main Heads of Terms as detailed in this report and on other terms and conditions to be agreed by the Head of Estates and the Interim Head of Legal Services.

5.4.3 Members **AGREED** to Instruct the Interim Head of Legal Services to conclude a site sharing licence based on the provisionally agreed terms.

5.5 Licence of Equipment, Rights to Arqiva Limited on three Masts (Hardens Hill, Brown Carrick, Ben Gullipen) (Colette Sherry)

5.5.1 CS provided an overview of the proposal to Members. There were no questions or comments.

5.5.2 Members **APPROVED** the terms of a proposed radio mast licences to Arqiva Limited to install radio telecommunications equipment on the SPA Masts at Hardens Hill, Brown Carrick and Ben Gullipen.

5.5.3 Members **AGREED** to instruct the Interim Head of Legal Services of PSoS to conclude the Licence agreements on the provisionally agreed main terms and on other terms and conditions to be agreed by the Head of Estates and the Interim Head of Legal Services.

6. AOCB

There were no items of AOCB brought forward.

**The Public Session closed at 11:15 hrs.
End.**