

Meeting	SPA Board Meeting
Date	29 March 2018
Location	John McIntyre Centre, Edinburgh
Title of Paper	Finance Committee Chair Report
Item Number	13.3
Reference Number	REP-B.15.20180329
Presented By	Elaine Wilkinson
Recommendation to Members	For Noting
Appendix Attached:	NO

PURPOSE

To provide the Board with an update on the main business progressed through the Finance Committee on 6 March.

1. 17/18 MONTHLY FINANCIAL PERFORMRANCE REPORT (Period 10) – ONGOING

1.1 Members were again assured that Police Scotland were on track to finish the year at a deficit of £35.5m, approximately £10m under the agreed revenue budget, and at a £45.6m deficit on a recurring basis. This is an improvement on Q3 report due to slippage in the timing of addressing the Forensics Services backlog to the 2018/19 year, and an increase in income from the mutual aid income under the Hertfordshire Agreement.

1.2 In relation to capital Members were assured by the significant measures taken by Police Scotland Finance to try to ensure spend up to budgeted levels, flexing between projects and bringing forward planned spend from 2018/19 if necessary. Members were disappointed in the high levels of underspend in the reform budget and recognised the work the Finance Team were doing to educate the senior team and SROs in the need to be realistic about timing of reform spend when making future bids.

2. 2018/19 Budget Update (ONGOING)

2.1 Members discussed in detail the draft budgets for Revenue, Capital and Reform. In relation to revenue budgets, suggestions were made for handling the potential additional pressures in Forensics Services and highlighting the risks associated with staff turn-over assumptions. Members took great assurance from the process undertaken by the Finance Team in prioritising capital and reform spend given the scale of bids received within the organisation compared to funding available. Members considered the risks around capital receipts, particularly those forecast to occur in the last quarter and the need for prudent capital expenditure management in the event that the receipts slip.

3. 3-year Financial Plan and 10-year Financial Strategy (ONGOING)

3.1 Members were very pleased to see how the 3-year financial plan had developed and the potential scope available for meeting required budget reductions following transformation investments, which are leading to capacity creation and cashable savings. Police Scotland Finance Team are to be commended for this sterling piece of work.

3.2 Members recognised the challenges to revising the 10-year financial strategy a meaningful way without the workforce, ICT, Estates and Fleet strategies being finalised. Police Scotland Finance will continue to provide updates to the 10 year position as each of the strategies are further developed with a view to having a more robust 10year financial strategy by autumn.

4. Commercial Excellence Programme Progress (ONGOING)

4.1 Members noted the significant progress made with this programme and although the forecast savings in the first year were less than expected the cumulative savings by the end of second year exceeded what was originally planned.

5. Business Cases and Commercial Services

5.1. Members received an update on the TRCG Business Case and agreed to consider the benefits realisation paper by correspondence.

5.2 Members considered the Estates Disposal Review Plan and strategy endorsing the recommended approach to the Board.

The Finance Committee will next meet on 15 May 2018.