

SCOTTISH POLICE
AUTHORITY

Meeting	SPA Board Meeting
Date	31 May 2018
Location	COSLA, Verity House, Haymarket Yards, Edinburgh, EH12 5BH
Title of Paper	Finance Committee Chair Report
Reference	B05.2018/10
Presented By	Elaine Wilkinson
Recommendation to Members	For Information
Appendix Attached:	No

PURPOSE

To provide the Board with an update on the main business progressed through the Finance Committee on 15 May.

1. 2017/18 Indicative Out-Turn Report – Ongoing

Members considered a report on the indicative out-turn for 2017/18 for the Revenue, Capital and Reform budgets. This showed a marginal improvement in the overall revenue position at a deficit of £34.6m compared to the previous forecast of £35.5m. Members explored the reasons for some positive and adverse movements and were assured that these did not impact adversely on the 2018/19 year. Members were pleased to see that capital out-turn for 2017/18 was in line with the budget, commending the Finance and Procurement Teams for their efforts in managing this spend in the final few weeks of the financial year. The reform budget was £2.8m less than that approved and drawn down from Scottish Government, mainly due to the underspend in VR/VER.

2. 2018/19 Capital and Reform Monthly Profiling - NEW

Members considered a paper which outlined the planned phasing of the Capital spend in 2018/19. Members were assured that all efforts were being made to maximise spend by the end of Quarter 3. Members explored the contingency plans that are in place in the event of any slippage in spend, which include bringing forward approved projects from the 2019/20 year along with other projects which had been bid for in 2018/19 but hadn't made the original capital budget due to capital constraints. Members explored the potential risk to capital spend due to limited resources within the procurement function and noted that work was in hand to assess how to enhance these resources.

3. Police Scotland Income and Bad Debt Handling Policy – NEW

Members welcomed the improved processes and controls contained within the policy.

4. Police Scotland Finance Re-organisation Update & Transition Arrangements – ONGOING

Members received updates in both Public and Private on the progress of a number of key projects that were underway as part of the Finance Transformation Programme. Members were assured that good progress had been made to stabilise the finance function with the reliance on contracted staff reducing and the focus moving towards real transformation. Members were updated on a number of other projects being undertaken across a range of finance areas, principally focused on efficiencies and control enhancement.

5. Payroll Project – ONGOING

Members heard updates in both Public and Private session with the latter providing more specific detail on the project progress to date. It was noted that the project continued to progress in line with the revised plan as noted at the December 2017 Finance Committee and the 'belt and braces' approach to testing provided significant assurance.

6. Initial Business Cases – Ongoing

Members considered and provided feedback on the Initial Business Cases for;

- Criminal Justice Hub Project
- Productions Remodelling Project
- Core Operating Solutions

Members requested that the points raised would be considered fully in the development of the Full Business Case.

7. Full Business Cases - ONGOING

Members considered the Full Business Case for the Innovation Support Project. As the Initial Business Case had not been brought to the Finance Committee this was the first opportunity for Members to discuss the proposal and provide feedback. Members were very supportive of the initiative, particularly the continuous improvement and process re-engineering aspects. However they raised a number of points which Police Scotland agreed to reflect on further before submitting the case to the Full SPA Board. These included: the cultural change aspects and how this was best led by the senior team; clarity that the suggested benefits were not double counting benefits offered in other projects but focused on fresh territory; the capacity within the organisation to embrace this project alongside all the other transformational change projects; and the dependency on productive hours measurement to be able to demonstrate some of the benefits.

8. Contract Recommendation - Provision of Internal Audit Services, Police Scotland - NEW

Members agreed to recommend to the SPA Board the contract award for the provision of Internal Audit Services.

The Finance Committee will next meet on 12 June 2018.