

Meeting	SPA Board Meeting
Date	28 June 2018
Location	Roths Halls, Glenrothes, Fife
Title of Paper	Finance Committee Chair Report
Reference	B06.2018/28
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 12 June 2018.

2018/19 Monthly Finance Report P2 – Verbal Update

1. Members were briefed on the likely out-turn at Period 2 which shows a revenue underspend of c. £4m due to some budget assumptions not being realised. At this stage in the year there are too many uncertainties to expect this underspend to carry through to the year-end. Capital is slightly overspent due to phasing of some expenditure and the reform budget is underspent due to the challenges of sourcing transformation resources.

2017/18 Provisional Out-turn

2. Members were advised of a further underspend against reform funds due to the start date for reclaiming VAT being earlier than expected in 2017/18 (16 March rather than 1 April 2018). As there was significant Capital spend in the last two weeks of March £2.3m of VAT is able to be claimed back.

2018/19 Capital and Reform Monthly Profiling

3. Members were assured by the quarterly phasing of capital expenditure by Police Scotland and how the organisation was maturing in its approach to managing capital spend. Members requested a more formal re-profiling of the capital budget at each quarter during the year and that in future reports the capital forecasts by project are extended into future years.

BTP Financial Update

4. Members were updated on the work being undertaken by EY to scope what is required to deliver the due diligence work. This should be available by end July to inform the overall reworking of the timeline for transfer of BTP staff to Police Scotland.

Initial Business Cases

5. The initial business case for the **Mobile Working and Core Operating Solutions** were considered by the committee. A number of issues were raised by Members which Police Scotland agreed to reflect on and address in the development of the Full Business Cases. In respect of the Core Operating Solutions these included: making a realistic assessment of both the cashable and non-cashable savings, ensuring no duplication with other projects; and providing more clarity around what was not in scope and how the issues around Data management, storage and policies would be addressed. For the Mobile Working Business Case Members were keen to ensure that there had been an assessment of the capacity within the organisation to respond to the planned number of devices being rolled out.

Full Business Cases

6. Members discussed a number of full business cases and agreed to recommend to the Board drawing Board Members attention to a number of issues highlighted below. Members discussed with Police Scotland the risks involved with having a number of professional services contracts with different suppliers working alongside each other and how the potential tensions that might arise are being managed.

Transformation Support: Members welcomed the development of this business case supporting it fully. Members were assured by the planned deliverables from the Business Design Authority. Within three months from procurement of support services this will provide an overarching Target Operating Model for Policing (based on a 'journey'

approach for those accessing policing and associated services eg vulnerable people, contact to custody) with associated principles. This will then be followed by the building of a strategic co-ordination function to ensure that all projects are aligned with the overall Target Operating Model.

Demand and Productivity: Members recognised that a pragmatic approach was being taken with the development of an interim productivity tracker directed at specific processes undergoing transformation rather than a more general baseline capacity measurement. This will ensure that the organisation can demonstrate the benefits being realised from the vast range of transformational projects enabling cashable savings to be released.

Criminal Justice Hubs: Members were assured that the project would release significant savings by having custody hubs staffed by suitably qualified staff, eliminating the need to backfill custody areas with officers.

Productions: Members recognised that the main driver for this project was to address the strategic risks associated with the current processes, storage and retrieval of productions rather than delivering cashable benefits.

Commercial Excellence Programme Progress

7. Members were assured by the significant progress being made with this project.

Non Competitive Actions (NCA) Contract Register Review

8. Members were assured that the NCA Contracts were being actively managed.

The Finance Committee will next meet on 14 August 2018.