

<b>Meeting</b>	<b>Scottish Police Authority Board Meeting</b>
<b>Date</b>	<b>28 March 2019</b>
<b>Location</b>	<b>Maryhill Burgh Halls, Glasgow</b>
<b>Title of Paper</b>	<b>SPA Report: Scottish Police Authority Budget 2019/20</b>
<b>Presented By</b>	<b>Hugh Grover</b>
<b>Recommendation to Members</b>	<b>For Discussion</b>
<b>Appendix Attached</b>	<b>No</b>

**PURPOSE**

To provide contextual information about the SPA's role in setting the revenue and capital budget for 2019/20.

## 1. BACKGROUND

- 1.1. The SPA has a statutory duty to set each year an annual budget for policing, under the provisions of the Police and Fire Reform Scotland Act 2012. The SPA, in pursuance of its function to maintain the Police Service (section 2, (1) a), must: **“before the beginning of each financial year, provide to the chief constable details of how it intends to allocate the financial resources it expects to have available to it in respect of that financial year”** (section 3, (1) c).
- 1.2. In addition, the designated Accountable Officer for the SPA is responsible for the propriety and regularity of public finances delegated to the Authority and for the economical, efficient and effective use of the resources available. It is the duty of the SPA to secure best value in carrying out its functions, and, similarly the duty of the Chief Constable to secure best value in carrying out the functions of the Police Service. The use of resources must be in accordance with the agreed Annual Police Plan, the Governance and Accountability Framework, and Ministerial expectations set out in annual Budget Allocation and Monitoring letters.

## 2. FURTHER DETAIL ON THE DRAFT BUDGET FOR 2019/20

- 2.1. This will be the seventh annual budget since the establishment of the Scottish Police Authority and the single police service in 2013. Importantly it commits to a further a year-on-year reduction of the underlying operating deficit which, excluding the potential additional costs of Brexit, will reduce to £24.6m from the forecast £35.6m in the current financial year. Scottish Government are aware of this budgetary position. The budget includes funding for SPA Corporate and Forensics Services, and it is therefore important that the budget setting process considers policing priorities holistically.
- 2.2. In line with the Chief Constable’s planning assumptions to cover the potential impact of Brexit related events, officer numbers have not been reduced as previously forecast and an additional 100 officers are being recruited. This puts a potential £17m of pressure onto the budget and the deficit will increase accordingly unless additional funding is provided. I have written to Scottish Government making them aware of the budget pressure and asking for additional funding, to date I have not received a definitive response
- 2.3. The impact of Brexit accepted, it remains the intention to deliver significant capacity gains across Police Scotland that will enable a shift in the size and mix of the Police Scotland workforce. HMICS

continue to provide assurance in this area, but further enhancement is needed to the methodology and process to supply evidence and assurance around, delivery of productivity benefits and increased operational capacity and improvements in performance.

- 2.4. The 3-Year and 10-Year financial plans are being revised in light of the 2019/20 budget settlement, re-profiling of the Police Scotland transformation portfolio (which leads to a slower than planned delivery of the full benefits package), and clarity around other matters such as the police officer pay award and the Staff Pay Reward and Modernisation programme. Both plans will come to future meetings of the SPA Resources Committee and the Board for consideration.

### **RECOMMENDATIONS**

Members are requested to discuss the information contained within this report.