

**RESOURCES COMMITTEE
05 AUGUST 2021**

**Minute of the Scottish Police Authority Resources Committee held
on MS Teams on Thursday 05TH August 2021.**

Participating Committee Members

Bob Black (Chair)
Katharina Kasper
Grant Macrae
Caroline Stuart

Other Participants

Scottish Police Authority

Chris Brown, Deputy Chief Executive
Lynn Brown, Chief Executive
John McNellis, Head of Finance, Audit and Risk

Deborah Christie, Governance Support Officer (Minute)

Police Scotland

Lynn Brown, Strategic Financial Planning and Budgeting Lead
James Gray, Chief Financial Officer
Andrew Hendry, Chief Digital & Information Officer
Yvonne Johnstone, Estates Transformation and Change Lead
Iain McKie, Interim Procurement Improvement Lead
Superintendent David Tonks, Corporate Services Division

1.1 Welcome and Apologies

Bob Black welcomed everyone to the meeting which was being held using MS Teams due to the current COVID19 restrictions and would be live-cast to the SPA Website for the public items. Charlie Fisher - HMICS, Jacqueline Farmer - Audit Scotland and Avril Davidson - SG were welcomed to the call as observers.

Apologies were noted from Deputy Chief Officer David Page.

1.2 Declarations of Interest

There were no declarations of interest.

1.3 Resources Committee Minute from meeting held on June 17 June 2021 - For Approval

Members **AGREED** the Minute from the Resources Committee held on 17 June 2021 was an accurate record of the meeting.

1.4 Resources Committee Action Log Review

Members noted the action log and the updates provided.

Members agreed action RES-20210518-002, in which a request for improved reporting of transformational benefits was requested, should remain open and that it would be discussed at the next committee meeting, when the quarterly benefits monitoring report is scheduled to be presented.

1.5 Decision on Taking Business in Private

In accordance with paragraph 20 of the SPA Standing Orders, the Committee **AGREED** to consider items 4 - 9 on the agenda in private.

2.1 Q1 Financial Monitoring Report - James Gray / Lynn Brown

Members considered the report which provided an update on the financial position of the SPA and Police Scotland for quarter one (three months ending 30 June 2021) of the financial year 2021/22, as well as forecasting the full outturn to 31 March 2022. During discussion and in addition to the paper the following key points were raised and discussed;

- The Chief Financial Officer confirmed he was content with the current financial position with a number of threats and opportunities having been identified and which will continue to be monitored as the year progresses.
- Members were taken through the key areas of the detailed financial report which was presented at Appendix A. It was noted that both Revenue and Capital budgets remained at amber and Reform was green in terms of budget delivery monitoring.
- Members considered detailed updates on the revenue, capital and reform budget areas and welcomed the clear reporting.
- Recognising that fuel costs were at the highest they have been in recent years, a question was asked about what work was being done to find savings elsewhere to compensate for this increased cost. It was confirmed that the budget had been set taking cognisance of forecasts on fuel prices however the rapid increase in costs is likely to result in a cost pressure for the remainder of the financial year. Members heard that this would be closely monitored and effort would be made to find compensating savings across other business areas and the messages with regards to limiting fuel use

would be cascaded and reinforced. Members noted that the roll out of new electric fleet may help make fuel savings.

- In response to a question regarding the reported risk in respect of Hard FM, the Chief Financial Officer explained that the new Hard FM supplier would take over the contract from 01 December 2021 and the relevant teams would be monitoring the service delivery closely to ensure any issues with delivery are identified and managed. It was confirmed that transition arrangements will be put in place which will mitigate against any issues and help to manage the timing of billing for work during this transition time. Members welcomed the assurance that this will be closely monitored.
- Welcoming the inclusion of the cash flow management in the report, an assurance was sought that there were areas of pressure and that plans were in place to ensure there was sufficient cash, as required, across the year. The Chief Financial Officer explained that the cash flow management was a priority area and the team worked closely with SG colleagues to manage it. An assurance was provided to Members that Police Scotland finance colleagues were working with SPPA to improve the forecasting of pension costs.
- Commenting on the backlog in Ill Health Retirement which had arisen due to Covid delays, Members sought an assurance that effort was being put in to clearing these backlogged cases and heard that this was as a result of a reporting lag and it was expected the backlog would clear in the coming months with progress expected in the next Quarterly Monitoring report. It was confirmed that close links were being maintained with P&D colleagues to assess any financial implications and how this could impact on the budget for future years.
- Members asked what degree of uncertainty remained in terms of Covid impacts on the budget and were advised by the Chief Financial Officer that, although some degree of uncertainty remained, the organisation was in a significantly more informed position than had been the case previously which was informing the planning assumptions. It was advised that impacts of cancellation of events and lower passenger numbers at airports was still an area to be explored and while funding had been made available for this year, it may be that a lag on recovery of income levels will see continued impacts. Members noted that close working with SG colleagues would continue and the funding settlement had been accepted with the caveat that business as usual levels would return.

Members noted the paper.

2.2 2022/23 Budget Strategy – Interim Update – James Gray / Lynn Brown

Members considered the paper which had been submitted to provide the Committee with details of the 2022/23 budget strategy. During discussion and in addition to the paper the following key points were raised and discussed;

- The Chief Financial Officer explained to Members the journey would continue to full priority based budgeting (PBB) which would be an extension of the zero based budgeting which allocates financial resources to support the organisation's key priorities and outcomes.
- Members were advised that the work to develop the budget would be minimal in November given the focus on COP26 but an assurance was provided that the budget timelines had been adjusted to accommodate this.
- Members considered an overview of the report which outlined the budget setting approach, budget setting principles, risk, income, SPA Corporate and SPA Forensic budgets, ownership and accountability and the timelines for activity.
- Members asked how any proposed changes to service levels as a result of budget decisions would be managed recognising that stakeholder consultation would be a key part to how this was managed. An assurance was provided that any proposed changes to service provision that would come forward would be subject to a comprehensive impact assessments and consultation along with consideration of any risk. Members welcomed the assurance that the committee and Authority would be appropriately sighted on any service impacts should that be relevant.
- Recognising this significant shift in approach would require a culture change at local level, Members questioned what support would be given to officers and staff to ensure they were appropriately trained. It was confirmed that budget training was being provided to build awareness and knowledge across budget holders and the intention is to provide additional training (which may be external if necessary) on priority based budgets with targeted support to be available develop this approach and embed the approach within the organisation.

Members noted the report.

3. Resources Committee Work Plan

It was agreed that the Chief Financial Officer's teams would work with the Governance Support Officer to ensure future committee business was appropriately scheduled and the work plan was as up to date as possible.

Members noted the work plan.

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*The following items were taken in private.
End.*

Approved

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