



Resources Committee

Minutes of the Resources Committee held on 10 November 2022 via MS Teams

Board Members present:	Grant Macrae (Chair) Alasdair Hay Catriona Stewart Caroline Stuart
Board Member apologies:	Tom Halpin
In attendance:	SPA Chris Brown, Deputy Chief Executive John McNellis, Head of Finance, Audit and Risk Deborah Christie, Governance Support Officer Police Scotland Lynn Brown, Head of Corporate Finance Alasdair Corfield, Financial Controller James Gray, Chief Financial Officer Andrew Hendry, Chief Digital and Information Officer Yvonne Johnston, Estates Transformation and Portfolio Lead Colin Maciver, Programme Manager Kerri Maciver, Head of Portfolio Management Iain MacLelland, Superintendent Iain McKie, Head of Strategic Procurement ACC Mark Williams, ACC Operational Support HMICS Alan Wright

1.1 WELCOME

Grant Macrae welcomed everyone to the MS Teams meeting. Attendees heard that the Chair of the ARAC would join the meeting to participate in the discussion for item 6.1, Internal Audit Contract Award.

1.2 APOLOGIES

Apologies were noted from Committee Member Tom Halpin and DCO Page.

1.3 DECLARATIONS OF INTEREST OR CONNECTIONS

There were no declarations of interest or connections.

1.4 DECISIONS ON TAKING BUSINESS IN PRIVATE (ITEMS 5 - 10)

In accordance with paragraph 20 of the SPA Standing Orders, the Committee AGREED to consider items 5 - 10 on the agenda in private.

2.1 RESOURCES COMMITTEE MINUTE FROM MEETING HELD ON 09 AUGUST 2022 FOR APPROVAL

Members AGREED the Minute from the Resources Committee held on held on 09 August 2022 was an accurate record of the meeting.

2.2 ROLLING ACTION LOG AND MATTERS ARISING

Members noted the actions and updates and agreed to close the actions that were proposed for closure.

2.3 DECISIONS SINCE LAST MEETING

The Chair reminded attendees that Section 11 of the Authority's Standing Orders confirms the provision to consider matters by correspondence when it is not practicable to convene a meeting of the committee and explained that this was the case in respect of a recent contract award. He confirmed that Members of the committee agreed, by correspondence, to recommend to the Board the award of a contract in respect of the Provision of Forensics Toxicology Casework Analysis. The Board then considered this at its meeting on the 25th August.

Members noted this update.

3.1 FINANCIAL MONITORING REPORT Q2 2022/23 REPORT – James Gray/Lynn Brown

Members considered the paper which had been submitted to provide the Committee with an update on the financial position of the SPA and Police Scotland for quarter two of the financial year 2022/23. Members were also asked to approve the following 2022/23 budget revisions:

- £37.0m increase in the revenue budget for pay award uplift in line with additional funding available;
- £4.6m reduction in the revenue budget to reflect the impact of IFRS 16 Leases effective from 1 April 2022; and
- £5.2m increase in the capital budget to reflect the impact of IFRS 16 Leases effective from 1 April 2022.

During discussion and in addition to the written report the following points were raised and discussed;

- James Gray explained to the Committee that it was not normal practice to request budget adjustments in year however due to the exceptional circumstances the 3 adjustments as detailed in the papers were being proposed.
- It was noted final costs in respect of Operation Unicorn were still being collated and it was anticipated a final position would be clear by the end of this calendar year. The Committee welcomed the update that experience and learnings from the recent financial management of COP26 had assisted with the management and capture of Operation Unicorn financial impacts.
- The Committee discussed at length the year to date budget and forecast position. An area of focus was the police officer overtime overspend considering the financial and wellbeing impacts. The Chief Financial Officer explained that this had been agreed internally as not being a sustainable model and lower levels of overtime assumptions were being factored into 2023/24 budget planning. Members sought assurance steps were being taken to mitigate any negative impacts on officer wellbeing that may be being seen from unsustainable high levels of overtime. Recognising the importance of officer wellbeing, a request was made for information to be provided to the People Committee which will provide assurances in respect of officer wellbeing and the impacts of high levels of officer overtime being carried out. It was also requested that as part of this work, details of any divisional trends were to be provided in the reporting to the People Committee.
- Members asked what impacts were being seen as a result of increased costs from in-year inflation and heard that this was being seen across different budgets and especially in the estates budget

as costs have been significantly higher than anticipated and money is not going as far as it once did. The Chief Financial Officer confirmed that cost pressures will continue to be closely monitored and reported to this Committee.

- The Committee discussed a key risk that was highlighted in respect of the ongoing review, by Scottish Government, of reform funding and heard that the window for this to be progressed was narrowing. Members expressed concern that any reduction will have a significant impact on the deliverability of reform projects currently underway. Concern was also expressed by Police Scotland finance colleagues and Members about the negative impact of delays in approval by Scottish Government for specific projects. The Committee Chair urged colleagues to continue to urge Scottish Government colleagues to provide definitive answers in this area as it was a significant risk to being able to progress very important work – for example the Police Scotland Your Leadership Matters Phase 2 activity.

Members noted the year to date position and forecast position within the finance report and agreed to approve the budget revisions detailed in appendix B. The following action was also agreed;

RES-20221110-001: Further analysis to be provided to the People Committee which will provide information in respect of officer wellbeing and the impacts of high levels of officer overtime being carried out. Details of any divisional trends to be provided.

4. TRANSFORMATION PROGRAMME BENEFITS REPORT Q2 – Andrew Hendry/ Kerri Maciver

Members considered the report which sought to provide the Committee with an update in relation to the ongoing Benefits Management and tracking within the Police Scotland Change Programme. During discussion and in addition to the written report the following points were raised and discussed;

- Members considered a summary of the report which had been submitted in a refreshed format.
- One specific area that was highlighted to committee members was a reduction of 379 FTE to CAM Planned Officer Efficiency values and it was explained this had been as a result of the recent report approved at Change Board in August 2022. Members questioned the decision to make this reduction and it was explained there was no doubt the benefits had been achieved but the challenge had been in validating the data. Going forward, work would be done

with the Analysis and Performance and Demand and Productivity units to develop more robust baselines.

Members noted the paper.

The following items were taken in private.

5.1 RESOURCES COMMITTEE MINUTE FROM ITEMS CONSIDERED IN PRIVATE MEETING HELD ON 09 AUGUST 2022 FOR APPROVAL

Members AGREED the Minute from the items considered in private at the Resources Committee held on held on 09 August 2022 was an accurate record of the meeting.

5.2 RESOURCES COMMITTEE MINUTE FROM MEETING HELD ON 16 SEPTEMBER 2022 FOR APPROVAL

Members AGREED the Minute from the items considered in private at the Resources Committee held on held on 16 September 2022 was an accurate record of the meeting.

5.3 PRIVATE ITEMS ACTION LOG REVIEW AND MATTERS ARISING

In respect of action RES-P-20220613-001 regarding electric fleet, Members agreed while the information in the briefing had been informative, some additional assurances in respect of Business Continuity would be welcomed and it should be agreed how this can be appropriately done as part of the ARAC's work.

Members noted the updates provided and agreed the following action;

RES-P-20221110-001: Report to be provided to the ARAC which provides assurance in relation to business continuity planning for various scenarios including power outage.

Mary Pitcaithly, Chair of the ARAC joined the meeting.

6.1 INTERNAL AUDIT CONTRACT AWARD REPORT – Iain McKie

Members considered the paper which had been submitted to request the Committee approve the award of a contract to BDO LLP for Internal Audit Services. The contract period shall be 3 years with the option to extend for an additional 2 x 12 month period, total potential contract duration of 5 years.

The total estimated value over the total potential duration of the contract is £1,342,250 (exclusive of VAT). The total estimated cost for the initial 3 year period is £805,350 (exclusive of VAT) which was based on the rates submitted for the Provision of Internal Audit Services. The estimated cost associated to the 2 x 12 month extension period is £536,900 (exclusive of VAT). During discussion and in addition to the written report the following points were raised and discussed;

- Deputy Chief Executive Chris Brown, who had been a member of the Evaluation Panel for this procurement exercise highlighted that since he had been part of that panel, he now sits on a committee at his daughters' school with the BDO Head of Audit for Scotland and therefore declared a personal connection in respect of this matter. For the avoidance of doubt, it was confirmed there was no personal connection at the time of the evaluation activity and Members agreed this did not represent any conflict.
- The Committee Chair explained that although this contract award falls within the delegated authority of the Chief Executive it was being considered by the Resources Committee with ARAC committee input at the request of the Chief Executive to provide an opportunity for an additional layer of oversight of the contract award.
- Mary Pitcaithly, Chair of the ARAC advised the Committee she had been fully briefed by the Chief Executive on the proposal and stated she was fully supportive of the proposal and the ARAC is looking forward to building strong working relationships with the successful provider.
- The Committee Chair asked what plans were in place to ensure a smooth transition of IA provision and was advised a mobilisation strategy was in place to ensure a smooth and timely transition with appropriate time for vetting to be carried out having been built into the timelines.

Members agreed to approve the award of a contract to BDO LLP for Internal Audit Services. The contract period shall be 3 years with the option to extend for an additional 2 x 12 month period, total potential contract duration of 5 years.

The total estimated value over the total potential duration of the contract is £1,342,250 (exclusive of VAT). The total estimated cost for the initial 3 year period is £805,350 (exclusive of VAT) which was based on the rates submitted for the Provision of Internal Audit Services. The estimated cost associated to the 2 x 12 month extension period is £536,900 (exclusive of VAT).

Mary Pitcaithly, Chair of the ARAC left the meeting.

7.1 DALMELLINGTON DECLARE SURPLUS AND CO-LOCATION REPORT – Yvonne Johnstone

Members considered the paper which had been submitted to invite the Committee to approve, in line with the Estate Strategy, a proposal to relocate the current Dalmellington Police Station to a new Community School Campus currently being designed by East Ayrshire Council. During discussion and in addition to the written report the following points were raised and discussed;

- Members considered a summary of the paper and heard about the design principles that had shaped the proposal.
- In considering this particular proposal for a co-location within the Dalmellington Community School Campus, Members agreed that a future briefing on the ongoing work of the Estates Team as they implement the current Estates Strategy would provide an opportunity to understand the progress already made and how the overall estate currently supports delivery of policing. The Committee would also welcome a briefing to understand the challenges being faced by the Estates team as they strive to deliver the strategy in challenging times.

Members agreed to approve that the SPA enters into a new 25-year lease of modern accommodation within the Dalmellington Community School Campus in the form of a purpose-built Police Station at a rental of £1 per annum based on an investment of £200,000 by Police Scotland.

To instruct the Head of Estates and Head of Legal Services to conclude a lease based on the outline terms detailed within this report.

That, subject to completion of the new police station, to instruct the Head of Estates and Head of Legal Services to terminate the lease of the current Dalmellington Police station at an appropriate time.

The following action was also agreed;

RES-P-20221110-002: Briefing session to be arranged which will provide members with an understanding of the current work to deliver the approved Estates Strategy.

8.1 RESOURCE SPENDING REVIEW REPORT – James Gray

Members considered the report which had been submitted to provide an update on efficiency initiatives currently underway to try and ensure PS remain within the FY 22/23 budget in the face of unprecedented inflationary pressures and to provide an update on the financial context for the next financial year and the contingency planning arrangements to be considered to support the development of the 2023-24 budget.

Members were invited to note, in the context of FY 22/23 and the implications of the RSR shaping the FY 23/24, the actions outlined in this paper. During discussion and in addition to the written report the following points were raised and discussed;

- Members considered a summary of the submitted paper and it was confirmed this had been subject to Police Scotland internal governance and the direction of travel has the support of the Chief Constable.
- The committee considered the implications of 2 possible funding scenarios (Real Terms Protection and Flat Cash) for 2023—4 as detailed in the report.
- Members welcomed the work to develop the approach to Priority Based Budgeting (PBB) and noted an implementation plan was being developed to roll this out across the organisation. The Strategic Efficiency Reinvestment Review (SERR) pilot exercise was cited as providing valuable understanding in how significant long term savings can be identified through focused review of operating models.
- Members welcomed the work being done and the next steps. It was agreed this work would be a significant challenge to carry out in parallel with other ongoing projects and BAU activity.
- Concern was expressed that the impacts of a flat cash budget would begin to impact very soon and this is why it was agreed it was so important to have a holistic organisational approach and a central coordinating function for the organisation to ensure the organisation moves forward together.
- Members agreed the size of the challenge should not, in any way, be underestimated and to be able to clearly articulate the impacts into how policing priorities will be impacted was vitally important.
- The Committee was very supportive of the steps being taken and welcomed the assurance these steps were supported by the Chief Constable and his Executive. Members suggested a refreshed version of this paper should be considered at the Board meeting in November as all Authority Members should be sighted on the steps being taken.

Members noted the proposed actions in the context of FY 22/23 and the implications of the RSR shaping FY 23/24.

8.2 BUDGET STRATEGY 2023-24 REPORT – Lynn Brown

Members considered the report and appendix which had been submitted to provide details of the 2023/24 budget strategy for consideration. During discussion and in addition to the written report the following points were raised and discussed;

- Members considered and discussed in detail the budget approach, budget setting principles, and timeline for activity for 2023-24.
- The Committee discussed how the organisation was tracking and monitoring legal costs with Operation Tarn highlighted as one example of significant legal costs that will be incurred over more than 1 year. The Chief Financial Officer explained that controls had been put in place to ensure the organisation was only being charged for legal services that were required and to this end, a specialist legal accountant was being put in place with responsibility for managing this.
- Members noted that finance business partners do work very closely with legal colleagues however it was agreed this was a very challenging area of budget management. It was agreed that some further discussion was required about how these type of non-recurring costs that arise from multiyear projects can be effectively planned for and some work should be done to develop a pipeline of costs that can be tracked and reported.
- The Committee thanked colleagues for the update and endorsed the direction of travel.

Members noted the report and supporting appendix and agreed the following action;

RES-P-20221110-003: Report to be provided to a future committee which provides assurance in relation to; budgeting and forecasting of legal costs.

8.3 EVENT COST RECOVERY UPDATE REPORT – ACC Mark Williams

The Committee considered the paper which had been submitted to provide an update on the implementation of the revised Event Cost Recovery process due to commence on 1 April 2023. During discussion and in addition to the written report the following points were raised and discussed;

- Members considered an update on the implementation of the revised Event Cost Recovery process due to commence on 1 April 2023.

- Members welcomed the good levels of engagement that had taken place with event organisers to explain and plan for any impacts for their events.
- The Chief Financial Officer explained he was supportive of the plans and that he was confident the necessary plans were in place to capture all the costs.
- It was confirmed this will come back to the committee as an appendix to the 2023-24 budget in March 2023.

Members noted the update and were supportive of the planned approach.

9.1 NATIONAL BODY WORN VIDEO – INITIAL BUSINESS CASE (IBC) REPORT – Andrew Hendry/Supt Iain MacLelland/Colin Maciver

Members considered the report which presented the Initial Business Case (IBC) detailing the proposed development of a National Body Worn Video (BWV) solution to equip all Police Officers and defined Staff roles. The Committee was invited to approve that a Full Business Case (FBC) be developed which would seek funding over 5 years as specified within the IBC. During discussion and in addition to the written report the following points were raised and discussed;

- Members considered a presentation which gave a summary of the strategic aims of the project, the drivers for the change, financial implications and the anticipated timescales both in respect of developing the Full Business Case (FBC) and thereafter implementation post contract award.
- The Committee noted extensive public and partners' engagement had been carried out with analysis from the qualitative data providing good insights.
- Members heard that the introduction of this technology force wide could drive significant changes to how policing operates. Assurance was given that the change will be carried out in a measured way and with the support of our communities as academic research has shown will be the case.
- Members asked if there was any scope to expedite the progression of the FBC and it was explained that any opportunity to reduce the timescales would be explored but it was unlikely this would be possible and the target date of August 2023 for the FBC to be approved was realistic.
- Recognising that Body Worn Video had already been implemented across UK forces, Members were keen that PS colleagues took valuable learning from these forces as this would be of great benefit to Police Scotland as the project moved forward.

- The Committee noted that areas for further development would be explored and refined to be included in the Full Business Case when it comes back to the Committee so that the overall benefit to policing was more powerfully articulated.
- Members were very supportive of the strategic intent of the Body Worn Video project and the Initial Business Case and looked forward to the Full Business Case being available for committee consideration.

Members agreed to approve the Initial Business Case for National Body Worn Video.

10.1 COMMITTEE WORK PLAN REPORT – John McNellis

Members considered the paper which sought to provide the Resources Committee with information on expected future decisions for approval under the financial delegations matrix related to contracts, estates and business cases. During discussion and in addition to the written report the following points were raised and discussed;

- The Committee noted the forward look documents would be updated throughout the year to reflect any slippage or other changes across all business areas.

Members noted the report.

End.