

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received a new format summary financial and capital expenditure performance report for the first quarter. The new format is highly readable and provides a clear narrative to support the financial figures.</p> <p>More importantly the results are very welcome. The Group's financial performance for the first quarter shows an underspend against the profiled budget of circa £750k with a first forecast outturn of £195.3m; being some £1.7m lower than budget.</p> <p>The underspend is largely the result of lower than budgeted staff costs. In total there are 128 FTE staff role vacancies some of which are accounted for by the savings programme and will be disestablished. Overall the savings programme has generated savings of in excess of £1m to the end of quarter one. In relation to police officers, recruitment to meet the Target Operating Model (TOM) will increase during the year.</p> <p>Non pay costs are forecast to be higher than budget. This in part reflects ongoing pressure on contracted services.</p> <p>This welcome start to the year was also reinforced by a stronger than last year cash position and a lower level of debt. Overall, the Group's reserve position is strengthening with general reserves now forecast to increase to over 3% of expenditure by year end.</p> <p>The Panel warmly welcomed this improving picture in the Group's financial position. In particular, the opportunity it provides to improve reserves. However, there remain risks and much work to deliver the ongoing savings programme. As previously noted, the growing capital programme with a major focus on ICT investment and its implications for borrowing and consequential revenue spending particularly from 2020/21 onwards remains of concern.</p>	<p>The Panel thanked the Force and Group staff for the improved financial performance.</p> <p>Looking ahead the Panel will continue to closely monitor the underlying financial performance, the revenue reserves position and the demands of the capital programme.</p>
Police Officer numbers	<p>The Panel received a briefing note discussed at the July Police and Crime Panel. This shows the increasing number of police officer roles in the TOM – from 1549 in April 2017 to 1631 in April 2020.</p> <p>The Panel noted the actual position at June 2019 which is 40 FTE below the year-end TOM and the planned recruitment for the rest of the year. The Panel discussed the new PEQF recruitment and training process. The Panel also recognised that modern crime fighting requires a range of skills in Police Officers and Police Staff and that there is a shifting pattern of resource requirements.</p>	<p>The Panel welcomed the clarity of the staffing information and will continue to monitor staff recruitment and retention.</p>

Risk Management	<p>The Panel received a report from an ETAP member – Emma Christmas – on risk management procedures and the latest risk registers held across the Group. This brief review followed an earlier internal audit report on risk management. Whilst the internal audit report was positive the Panel noted differences in risk management processes between the SCO, FARS and Policing. Emma as ETAP's risk management lead was able to get into the operational level risks and how they are managed. Her report made a number of recommendations to improve the consideration of strategic level risks including:</p> <ul style="list-style-type: none"> • Strategic Governance Board for Collaboration introduce a strategic level risk management meeting between all three organisations to review and compare strategic level risks and share and expand knowledge on a six-monthly basis. • Attendance of ETAP risk representative at each of the operational areas risk meetings once a year. • Ensure all three organisations strategic risk registers are considered by the Finance Panel on a quarterly basis and at the full ETAP meeting annually • Link thematic reviews to strategic risk registers to demonstrate how the review is supporting operational development and actions to mitigate risks • Consideration of how risks for individual major projects, such as Niche, feed into the strategic risk registers. <p>The Group executives have welcomed these recommendations. The Panel thanked Emma for her report and commended this example of the use of ETAP members for governance related reviews.</p>	The Panel will continue to review strategic risk management across the Commissioner's portfolio.
ICT system upgrades	<p>In June the Panel was briefed on issues relating to the maintenance of the Force finance system. This raised wider assurance issues about the need to maintain a process to monitor upgrade requirements for all of the Group's ICT investments. It also raised concerns about the robustness of the finance system.</p> <p>In July the Panel were briefed on progress on a review of circa 200 ICT systems across the Group by Boeing. This is subsequently going to form part of the developing IT Strategy. A separate report on the upgrade path and possible consolidation of finance systems across Police</p>	The Panel will continue to monitor ICT system risks.

	and FARS was also underway. The Panel requested copies of the summaries of both reviews once completed.	
Group Commercial Strategy	<p>The Panel received a presentation on progress in developing a Group wide commercial and procurement strategy. The Panel welcomed the strengthened focus on VFM and the new business partner roles that are helping to deliver that objective. Some welcome examples of added value achieved through procurement were shared with the Panel.</p> <p>The Panel asked about the impact of wider social value objectives and how procurement can reflect the increasing society interest in issues like climate change.</p>	The Panel requested feedback on how the Group's commercial strategy can increase social value.

Alan Edwards

ETAP Finance Panel Chair