

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received a summary financial and capital expenditure performance report for the first 5 months of the year. The new format is highly readable and provides a clear narrative to support the financial figures.</p> <p>The Group's financial performance for the first 5 months shows an underspend against the profiled budget of circa £1.9m. However, the forecast outturn of £197m is effectively in line with the budget.</p> <p>The part year underspend is largely the result of lower than budgeted staff costs although so far non-pay costs are also lower than budget. This reflects the relative success of the savings programme which has generated cost reductions of in excess of £2m in the current financial year.</p> <p>Looking ahead recruitment to meet the Target Operating Model (TOM) will increase police officer and staff numbers during the year. Hence, the move towards achieving the budget by year end.</p> <p>Non pay costs are also forecast to be increase in the second half of the year. This largely reflects ongoing pressure on contracted services particularly in relation to ICT and estates.</p> <p>In relation to capital the Group has so far spent £3m again a £21m programme. The large programme largely reflects significant spending on ICT and in particular the Niche records management system. Significant spending on this is anticipated later in the year.</p> <p>The welcome positive start to the year was also reinforced by a stronger than last year cash position. Overall, the Group's reserve position is strengthening with general reserves now forecast to increase to over 3% of expenditure by year end and some additional contributions to other reserves planned at year end.</p> <p>The Panel 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 and future years savings programmes. As previously noted, the growing capital programme with a major focus on ICT investment and its implications for borrowing and consequential revenue spending 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 discussed the implications of the Government's announcement of the recruitment of 20,000 police officers in the next three years.</p> <p>The Panel heard that there was still a lot of uncertainty around this announcement. A national group had been set</p>	<p>The Panel welcomed the additional national investment and will continue to monitor staff recruitment and retention.</p>

	<p>up to take some leadership on police officer recruitment. There is an expectation that 3,000 officers across the country will be recruited in this financial year. However, there is not absolute clarity on this.</p> <p>In financial terms the likelihood is that the funding attached will just be related to police officer pay. This would mean that we are not going to see any funding of infrastructure to support police numbers; this will present real challenges for police forces.</p> <p>Finally, the big uncertainty is where the 20,000 officers will go nationally, regionally and at local level.</p> <p>The Panel noted the report and commented on the importance of investment of support staff in forensics, science and ICT in tackling growth in areas like cyber-crime.</p>	
Risk Management	<p>The Panel received a verbal update on Brexit related risks.</p> <p>The Panel heard that the force has had for some time a Gold Group running on Brexit and there have been similar conversations happening at a regional level. The Gold Group looks at the key risks around Brexit and are carrying out weekly threat assessments.</p>	The Panel will continue to review strategic risk management across the Force and Commissioner's portfolios.
Meeting arrangements	<p>The Panel discussed future meeting arrangements. It agreed that in the light of the improved financial management position it would now meet bi-monthly. Since ETAP would be meeting in the other month it would allow for any specific issues to be considered every month if necessary. In addition the Chair of Finance Panel and the Chair of ETAP would meet the S151 officers monthly.</p> <p>The Panel noted the requirement to put regular financial reports in the public domain from 2020/21 onwards. This is likely to be via reports to ETAP. The format will be considered by the Finance Panel later in the year.</p>	

**Alan Edwards**

**ETAP Finance Panel Chair**