

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance report for the period 7.</p> <p>The Group's financial performance to the end of September shows an underspend of circa £3.8m against the profiled 2020/21 budget.</p> <p>The forecast outturn for the year at £212.2m is £245k below the original budget. This forecast is largely unchanged from the previous month. The Panel noted forecasting is becoming more consistent and welcomed the more detailed analysis in the monthly reporting pack.</p> <p>Pay is underspent by £0.6m year to date. Whilst Police Officer pay is in line with budget, there are underspends in Police Staff costs (partly offset by agency staff costs) and PCSOs.</p> <p>Non-Pay, including contracted and capital financing costs, is underspent by £0.5m, within this figure is £0.470m spend relating to the national procurement of PPE which is being reimbursed and reflected in the income forecast. The Panel noted the detailed analysis of Covid related costs and grant income.</p> <p>The Group savings target for the year is £3.4m with £2.9m (86%) already delivered through budgets. There is high confidence of delivery against all remaining savings, or alternative mitigations being put in place. The Panel welcomed the early delivery of most of the savings projects.</p> <p>The Group has actual spend and commitments of £10.4m on capital schemes to the end of period 7. Included in this spend is payment for NICHE go-live and the costs of a planned programme to replace eighty vehicles, the life of which have exceeded seven years. The remaining capital programme for the year is £8.9m.</p> <p>The General Reserves remain at £6.4m, 3% of the 2020/21 net revenue budget. During the year, the forecast is to increase specific reserves by £3.6m, giving the Group a total of £20.m in general and specific reserves at year-end. This was welcomed by the Panel given the significant emerging uncertainties.</p> <p>A welcome addition to the monthly monitoring report is an update on procurement contracts. This enables the Panel to see the recent contract awards as well as advance notice of emerging major procurements. The report also includes a risk assessment for each of the existing major commercial contracts.</p>	<p>The Panel welcomed the clarity of the analysis of the Group's 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>
MTFS update	<p>The Panel received a verbal update on progress with the MTFS.</p> <p>ETAP will recall that the draft MTFS suggested there would be significant financial gaps facing the Commissioner in the next three years. For 2021/22 this gap was forecast to be in the range of £5.5m to £8.7m compared to the January MTFS forecast of £0.5m. The verbal update after discussions with local billing</p>	<p>The Panel will continue to monitor the impact of the current crisis on the medium-term financial position.</p>

	<p>authorities was that the worst case scenario based on a reduction in the Council Tax base was now seen as unlikely.</p> <p>There are also indications that an affordable and sustainable capital programme could be agreed that could have a beneficial impact on the plan.</p> <p>The Panel welcomed this update on the options facing the service as part of the MTFS development.</p>	
Statutory Accounts	<p>The Panel received a verbal update on the latest position with regard to the final sign off of the accounts by our external auditors. The Panel was advised that Staffordshire Pension Fund assurances had been received and EY are still working through these. All the other items, including journal testing were complete and the auditors were reviewing the final set of accounts. The management representation letter had been drafted and should be sent very shortly.</p> <p>The Panel expressed frustration that the accounts had not been completed and may miss the end of November target date. This seemed especially frustrating given that the Fire accounts had been signed off and EY were in effect assessing the accounts signed by another EY team at the County Council. The Panel agreed to support a letter from the ETA Chair to the EY Partner expressing our concern.</p>	The Panel will continue to monitor the performance of the external auditor.
Role of the PCC	<p>The Panel received a verbal update on the Home Office consultation document on the role of the PCC. The formal response has been delayed but is now imminent. The PCC Review is a two-part process, the response to the first part is due now via a Ministerial Statement and the second part will be looking ahead after the 2021 PCC elections.</p> <p>The Panel were advised that there were six main subject areas to Part 1 of the review: -</p> <ul style="list-style-type: none"> i. Accountability and Transparency Engagement ii. Resilience of the PCC model iii. Scrutiny and the effectiveness of Police, Fire and Crime Panels iv. PCC and Chief Constable dynamics, do they work, are there any issues? v. Mayoral model and devolution vi. Fire Governance and strengthening the PCC model. <p>The SCO had responded to the consultation and had contributed to responses from the Association of Police Authority Chief</p>	The Panel looks forward to receiving an update once the formal response to the part one consultation is complete.

	<p>Executives (APACE) and the Association of Police and Crime Commissioners (APCC).</p> <p>Some common themes were emerging, included strong evidence that PCCs find it far easier to engage with the general public than the old Police Authority. The SCO gave plenty of examples of engagement including the role of SNPs and also the fact the office has alignment with the CoPacc quality mark for transparency on the website. ETAP is also of course an example of good practice.</p>	
Internal Audit	The Panel received an update on contractual arrangements for internal audit. It discussed options with the Section 151 officers.	The Panel will continue to support the delivery of a quality internal audit service.
Finance and Commercial Team	<p>The Panel congratulated the Finance and Commercial Team on their success in winning Local Service Team of the Year. This was awarded by Public Finance – the professional magazine for CIPFA members.</p> <p>The Panel also welcomed the team's investment in training and extensive use of CIPFA and AAT apprenticeships.</p>	

Alan Edwards

ETAP Finance Panel Chair