

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance reports for period 6. The Group's financial outturn forecast is now for a forecast overspend of circa £400k or 0.2% of the original budget.</p> <p>This represents a welcome circa £1m improvement compared to Period 5. This has been largely driven by the proposed change in Minimum Revenue Provision (MRP) policy and an increased use of capital receipts to fund the transformation programme. There are also welcome signs that spending controls are also having an impact.</p> <p>The Panel remain cautious about the current year given the risks inherent in any forecast outturn, the low level of reserves and the history of unforeseen expenses in the last quarter.</p>	The Panel will continue to closely monitor the budget and the revenue reserves position.
Medium Term Financial Strategy (MTFS)	<p>The Panel received an update in relation to financial planning. As discussed at the last ETAP there is an emerging significant gap between likely revenue and the existing financial plans. This has been made worse by a possible significant additional cost for police pensions that has only come to light in recent months. The Commissioner is planning to engage in a formal consultation regarding the 2019/20 budget and the MTFS.</p> <p>The Panel discussed the likely budget timetable. As a result, it recommended a discussion of the draft consultation paper at this December ETAP meeting prior to presentation to the Police, Fire and Crime Panel in mid-December.</p> <p>The Panel noted that options will be constrained by the impact of</p> <ul style="list-style-type: none"> - A possible overspend in 2018/19 - The relatively low level of general reserves - The size of the capital programme - The scale of borrowing relative to prudential debt limits 	The Panel will review the 2019/20 budget and the MTFS in detail at its December 2018 and January 2019 meetings.
Police/Fire collaboration	<p>The Panel received an initial paper analysing opportunities to extend Police/Fire collaboration. The Panel welcomed the paper and noted the initial focus on enabling and support services. The delivery will be phased with an initial Phase One target delivery date of April 2019</p> <p>The Panel highlighted the potential for wider operational collaboration as part of the future development of the relationship.</p>	The Finance Panel offered to assist with further testing and review of the collaboration approach.

Force and Commissioner strategic risk registers	<p>The Panel received summary reports of the Force and Commissioner's strategic risk registers.</p> <p>The Panel noted the welcome Internal Audit report that offered substantial assurance on the risk management processes. Nonetheless, the Panel was not sighted on the wider operational Force risks and felt uneasy about the modest number of strategic risks held at Executive Level. The Panel noted that ETAP included a number of former risk management practitioners and suggested they explore the risks held at Divisional/ Departmental compared to the Strategic level partly to share good practice but also to assist with ETAP assurance.</p>	ETAP members to review Force risk registers and risk management reporting.
ICT Service contract governance	<p>The Panel received a report on the governance of its ICT service contract with Boeing. This followed an independent review.</p> <p>The review produced 19 recommendation focused on four key areas:-</p> <ul style="list-style-type: none"> • Accountability, decision making and financial control; • Governance Structure and Target Information Model; • Core Infrastructure; • Role and structure of the Intelligent Client Function (ICF) <p>The Panel noted ongoing financial risks associated with this contract and so welcomed the proposed changes. The planned reappraisal of these new processes in mid-2019 was also welcomed.</p>	The Panel will continue to monitor major service delivery contracts given the impact they have on spending controls.

Alan Edwards

ETAP Finance Panel Chair