

Correspondence from the Scottish Police Authority (SPA) to the Public Audit Committee, dated 17 July 2014

I am writing in response to the Public Audit Committee's report on police reform and subsequent request of 10 July for formal responses to the recommendations made of the Scottish Police Authority (SPA). Please find responses below against the specific recommendations and comments directed to the SPA.

Paragraph 59

The Committee would welcome confirmation from the SPA of when the identification of baseline data for non-operational areas such as finance, HR and procurement will be complete.

Corporate information covering HR, Finance, and Forensic Services is now being reported as standing items to the full SPA meetings (which take place every two months), and to the respective HR and Remuneration and Finance and Investment Committees.

Work is ongoing between the SPA and Police Scotland to establish a comprehensive suite of baselined performance indicators for non-operational areas of business. We aim to establish this further significant element of the SPA Performance Framework during the current financial year (2014-15).

Paragraph 73

The Committee welcomes the confirmation from the SPA that it would relinquish the lease on Bremner House on 31 March 2014. The Committee would however note the comments from the AGS that – “We have included Bremner House as an example of difficulties that have been caused by the delay in agreeing roles and responsibilities of the players involved, especially the SPA and Police Scotland...We have highlighted the issue as being symptomatic of the uncertainties about roles and responsibilities.

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As the Committee will already be aware from my letter of 26 March, the SPA resolved its permanent headquarters issue and moved into Pacific Quay in Govan in June 2014. We also noted the Auditor General's comments in relation to Bremner House on the need for clarity in roles and relationships, which the Committee has also highlighted. SPA, Police Scotland and Scottish Government have worked hard to improve relationships and mutual understanding and believe that these relationships have now been working effectively for some time, are based upon mutual respect, and are supporting the delivery of the benefits of reform and stronger governance and accountability. A recent example of that is the development and publication of the SPA scrutiny review on the use by Police Scotland of the stop and search tactic. SPA's review was carried out with strong input from Police Scotland, highlighted key areas for improvement in its recommendations and conclusions, and has already resulted in a constructive response from Police Scotland senior management. This is an excellent example of constructive challenge in action, and the type of approach and behaviours envisaged in the SPA's Governance Policy

Statement of June 2013. A set of key underpinning governance documents to clarify relationships has also been developed and agreed between SPA, Police Scotland and the Scottish Government, including a scheme of administration, engagement framework, and revised terms of reference for committees. Copies of these can be accessed on the SPA's website at <http://www.spa.police.uk/about-us/governance/>

Para 107

The Committee would welcome clarification from the SPA of how the savings delivered in 2013-14, particularly those identified as recurring, sit within the longer-term savings plan set out in the financial and corporate strategies and that they are sustainable until 2026.

Working closely with Police Scotland senior management, and with formal accountability for the policing budget, SPA has overseen the delivery of encouraging financial results. Prior to day one (1 April 2013), policing was tasked with delivering £64 million of efficiency savings in the first year of operation. This was in addition to £8.7 million of savings delivered in the previous year. Those challenging savings targets for the first full year were all delivered. The business case for police reform targeted cumulative savings of £1.1 billion by 2026. The efficiencies delivered so far have been assessed as recurring savings, and not one-off savings. Reports to the SPA estimate that this contributes approximately £832 million of the £1.1 billion required. Added to the prior year savings of £8.7 million, and once projected forward, the assessment is that approximately 86% per cent of the required £1.1 billion has been identified. While these numbers will fluctuate as plans are realised and savings are tracked, they provide confidence at this stage that the long-term financial benefits of police reform can be realised.

Para 115

Given the 13 year timetable, the Committee would welcome confirmation from the SPA of how it will determine and record whether the savings delivered now and in later years are attributable to police restructuring, rather than other financial pressures such as any future budget reductions.

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The SPA acknowledges that cuts to budgets do not equate to sustainable long-term savings. It is the process of reform and transformation which creates the longer lasting benefits, and the identification of recurring year-on-year savings that are at the heart of that approach. As indicated in our response to para 107, the efficiencies delivered so far have been assessed as recurring savings, and not one-off savings, and can be projected forward to contribute to the long-term efficiency objectives. Savings are being tracked on an overall basis to monitor progress against budgetary targets from the Scottish Government. There are a number of projects being undertaken by Police Scotland which will further improve services and bring process efficiencies to the organisation, for example the major change programme in Contact, Command and Control and the development of the i6 programme to transform the use of police information and data. The SPA Finance and Investment

Committee are formally tracking the various initiatives which are focusing both on cost reductions and the recurring savings being delivered within Police Scotland.

Finally, I noted and welcomed the Committee's recognition (at para 76) that SPA was correct to draw on the expertise of interim staff to help ensure a smooth transition. However, I acknowledged in my letter of 26 March that while we had made considerable progress in making permanent appointments to the leadership team, we had not yet concluded that process. I am pleased to use this opportunity to update the Committee that as of 14 July 2014 all members of the SPA senior management team have been appointed to permanent roles and are now in post.

Yours sincerely

JOHN FOLEY
Chief Executive Officer