

COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 22 MARCH 2013

TITLE OF REPORT: POLICE REFORM - TRANSITIONAL FINANCIAL ARRANGEMENTS

1. PURPOSE OF REPORT

- 1.1 To advise Members of the Grampian Joint Police Board of the transitional financial arrangements which are expected to apply to wind up the financial affairs of the Board.

2. RECOMMENDATION(S)

- 2.1 Members are asked to consider and note the contents of the Report.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications resulting from this Report.

4. SERVICE & COMMUNITY IMPACT

- 4.1 -

5. OTHER IMPLICATIONS

- 5.1 -

6. REPORT

Background

- 6.1 Members of the Board have received a number of updates on financial matters associated with Reform in recent months, the most significant of which have related to the work of the PRILO Board led by Scottish Government.

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- 6.2 As Day 1 of the new Service now approaches, this Report provides Members with a final update on the transitional financial arrangements expected to apply so that Members can be reassured that steps have been taken by the Board's Officers to allow the Board's financial affairs to be properly conducted.

Update on Key Issues

- 6.3 There are three main areas of importance for the Board as far as transitional financial arrangements are concerned:
1. The transfer of assets, liabilities, etc.
 2. Arrangements for preparing and approving the Board's 2012-13 Accounting Statements.
 3. Expected financial arrangements for Day 1 of the new Service.

Transfer of Assets, Liabilities, etc

- 6.4 The Report presented to the Special Meeting of the Board on 25 February 2013 covered the arrangements for the transfer of assets, liabilities, etc in detail and, with the exception of Usable Reserves and Loan Debt, all assets, liabilities and rights and obligations of the Board will transfer over to the SPA on 1 April 2013.

Arrangements for Preparing and Approving the Board's 2012-13 Accounting Statements

- 6.5 The Police and Fire Reform (Scotland) Act 2012 (Supplementary, Transitional, Transitory and Saving Provisions) Order 2013 has now been laid before the Scottish Parliament. This Order covers matters related to the winding up of the Joint Boards.
- 6.6 In summary the Order places responsibility for the preparation of the Board's 2012-13 Accounts on Aberdeen City Council and its Officers. In practice Aberdeen City Council's Head of Finance as Statutory Financial Officer for the Council (and current Treasurer to the Board) will be responsible for preparation of the Board's 2012-13 Accounts. Those Accounts require to be submitted for approval to Aberdeen City Council on behalf of the Constituent Councils with a copy of those Accounts also being sent to the Constituent Councils and the SPA for their interests. These arrangements apply to both the draft and audited Accounts.
- 6.7 The Order places a duty on the SPA, the Chief Constable of Scotland and their Officers to co-operate and assist with the Accounts closure and preparation process as far as may reasonably be required of them. It's in everyone's interest to ensure the Board's 2012-13 Accounts are concluded as quickly and smoothly as possible not least because conclusion of the Accounts will allow the share of uncommitted reserves to be finalised.
- 6.8 The Board's current External Auditors (Audit Scotland) will audit the Accounts as normal and their report to Members will be submitted to Aberdeen City Council for approval on behalf of the Constituent Councils.

- 6.9 The year-end process is slightly complicated by the cessation of the Board and the different VAT and banking arrangements which apply for the new Service but, to keep things as simple as possible, it has been agreed by all parties that the Accounts closure process will follow a business as usual approach. This approach is designed to ensure a smooth transition and proper recording of old and new year transactions and to ensure the VAT reclaim on the outgoing Board's transactions is maximised. Non-statutory guidance has been prepared to assist Treasurers and other finance staff with these transitional arrangements.

Expected Financial Arrangements for Day 1 of the New Services

- 6.10 Although the Board has no responsibility for financial arrangements after 31 March 2013, the following summary of expected arrangements may be of interest to Board members, particularly since there will continue to be a relationship with one of the three Constituent Councils for some services.

Financial Ledger	Expected to remain as is within existing Forces through which financial transactions will be recorded
Payroll	"Grampian" element of Police Payroll will continue to be run through Aberdeen City Council's payroll system
Internal Audit	Arrangements being made to procure these services. No Council involvement.
Insurance	Responsibility for insurance moves to SPA but residual claims for Joint Board covered by Insurance policies will be subject to a handover process.
Banking / Treasury Management	Will be managed through Scottish Government banking contract – no Council involvement
Pension Administration	Administration of Pensions for Police Officers and Police Staff in Grampian will continue to be managed by Aberdeen City Council's Pensions Section.
Loan Debt	The loan debt of the Grampian Joint Police Board will transfer to the SPA, but will continue to be administered by PWLB. SPA will pay PWLB for their share of loan charges in accordance with a loan agreement.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

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Chief Constable
12 March 2013

Treasurer
12 March 2013