Corporate Strategy 2014
Foreword

The focus of Police Scotland is to keep people safe in communities across the country. It’s why we exist as an organisation. It’s what we work to deliver, around the clock, all year round, in partnership with the public we serve.

I want us to achieve this by striving for excellence in all that we do and by having the right response in the right place at the right time – with a very clear focus on improving the safety and wellbeing of people, places and communities across Scotland.

Working in partnership to deliver results remains at the heart of policing. Police Scotland has a unique role in being able to support and contribute to improved community wellbeing with the co-operation and goodwill of communities, local councils and other key partners.

By setting clear plans for the next two years in these key areas, we will move forward positively and be in an even stronger position to ensure our operational response is the best that it can be and is responsive to local needs across Scotland.

Our Annual Policing Plan, 32 local plans and 353 ward plans set out our operational objectives and priorities, developed with the public and partners.

This corporate strategy – built with a focus on People, Technology, Organisational Support and Finance – provides a strong base on which to build future performance and public confidence.

We are at a unique moment in the history of policing in Scotland. Everyone worked hard to ensure the transition to a single service was risk-free and that communities continued to benefit from the world-class policing we are renowned for. We must now work even harder to build and shape the organisation we want to be, for decades to come and future generations.

Improving our service to communities and delivering excellence in performance across all aspects of policing are at the forefront of our plans. Policing in Scotland is in a strong position – but we can always improve. We will take the best practice from previous legacy police forces and seek to thread it into what we do throughout the country to ensure a consistent and effective approach by a single police service.

This work takes place against a challenging financial background. We have significant savings to make and must meet the budgets set for us annually by the Scottish Police Authority. We will use our resources smartly and efficiently in the interest of the public purse and ensure policing in Scotland is modern, effective and responsive to the needs of communities.

We face the biggest change in the delivery of public services for a generation. The success of Scottish policing is built on the professionalism and dedication of our people. I want our whole organisation to live and breathe our focus on keeping people safe and I want people to value Police Scotland as a national asset.

I believe that this corporate strategy sets the clear direction we need for the next two years, to provide us with the foundations to enable us to transform the delivery of policing in Scotland.

Sir Stephen House QPM
Chief Constable
Our Corporate Strategy
This strategy outlines how we will support the delivery of operational policing across the country, while building the foundation to enable us to transform the delivery of policing in Scotland.

Our Purpose
To improve the safety and wellbeing of people, places and communities in Scotland
Working in collaboration with others, we will seek to achieve this in a way which:
Is accessible to, and engaged with, local communities, and promotes measures to prevent crime, harm and disorder

Our Focus
Keeping people safe

Our Values
We have developed our values to foster a culture that will help to shape a positive and constructive relationship with those we serve:

- Integrity
- Fairness
- Respect
- Human Rights

Our Corporate Strategy Principles
In prioritising the approach to develop our organisation for the future we have identified five key principles:

- Our people will be motivated, flexible, feel empowered and valued
- Our services will be delivered with a focus on quality, consistency and accessibility
- Our engagement with our people, partners and stakeholders will be proactive in manner and include the use of modern communication channels
- Our assets will be managed in a way that will improve access to them, as well as improving efficiency and sustainability
- Our approach to governance will be modern, streamlined and proportionate

Our Strategic Delivery Plans
The delivery of our operational aims will be supported by four enabling strategic delivery plans:

- Our People
- Our Technology
- Our Organisational Support
- Our Finances

Culture
Our culture will be developed to reflect:

- Our values-based approach supported by effective leadership
- Our focus on making a difference and delivering positive outcomes for our local communities
- Our ambition to be transformational and forward thinking in striving for excellence in all that we do
- Our positive, proactive and innovative approach to partnership working
- Our empowerment of people to challenge practice, initiate change, influence thinking and innovate
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Background and Context

Who we are

On 1 April 2013 the previous eight territorial policing organisations, Scottish Police Services Authority (SPSA) and Scottish Crime and Drug Enforcement Agency (SCDEA) came together as we created Police Scotland, heralding the largest change to policing in Scotland for a generation.

As a single national organisation we aspire to provide the people of Scotland with the best police service possible, which is responsive to local needs and we will strive for excellence in all that we do. As our organisation evolves and develops in the forthcoming years, we seek to become internationally renowned as a global leader in the delivery of excellent police services.

Since our formation, we have been able to strengthen the connection between the services we provide and the local communities we serve; providing equitable access to our specialist services whilst remaining focused on the individual needs of our diverse communities throughout the country.

Our purpose and focus

The Police and Fire Reform (Scotland) Act 2012 (The Act) sets out the framework within which we, the Scottish Police Authority (SPA), the Police Investigation Review Commissioner (PIRC) and Her Majesty’s Inspectors of Constabulary in Scotland (HMICS) will operate to provide policing for the people of Scotland.

The purpose of Police Scotland is derived from the principles within The Act, which updated the role of the police service from the former “guard, patrol and watch” of the Police (Scotland) Act 1967 to the following new policing principles;

• The main purpose of policing is to improve the safety and wellbeing of persons, localities and communities in Scotland, and
• The Police Service, working in collaboration with others where appropriate, should seek to achieve that main purpose by policing in a way which:
  - Is accessible to, and engaged with, local communities; and
  - Promotes measures to prevent crime, harm and disorder.

The SPA Strategic Police Plan outlines the strategic police priorities and objectives we must work towards to fulfil our purpose. These objectives are outcome focused and summarise what Police Scotland and the SPA need to achieve between now and 2015-16.

This strategic view is supported by our Annual Police Plan which sets out our operational policing priorities. For 2014-15 these priorities are:

• Violence, Disorder and Antisocial Behaviour;
• Serious and Organised Crime and Terrorism;
• Road Safety and Road Crime; and
• Public Protection.

Contributing to a more successful Scotland

Police Scotland makes a major contribution to the safety, resilience, health and success of Scotland as a nation. This is demonstrated by the close alignment of our purpose and priorities with the national outcomes contained within the Scottish Government’s National Performance Framework and in the contribution that policing will make to the Scottish Government’s Justice Strategy.

Our activities to improve the safety and wellbeing of persons, localities and communities in Scotland is delivered by a diverse and committed workforce, consisting of police officers and police staff who jointly deliver police services across Scotland.

Scottish Ministers have made a public commitment to provide 1,000 additional police officers (above 2007 levels) across Scotland. Police Scotland will therefore maintain its officer numbers at, or above, 17,234 officers, in line with this Scottish Government commitment. We also currently have over 6,500 police staff.

Partnership working remains at the heart of our approach to deliver effective police services.
We play a central role in helping to deliver key public sector strategies and collaborate with a number of partners on a local and national level - including through our statutory duty to deliver local policing, participate in Community Planning and Community Planning Partnerships (CPPs), and our participation in the Justice Board - to maximise the positive impact that we can make on the communities of Scotland and keep people safe.

As a key partner in CPPs across Scotland, Police Scotland will make a significant contribution to the delivery of the 32 Single Outcome Agreements (SOAs). The SOAs set out how each CPP will work towards improving outcomes for the local people in a way that reflects local circumstances and priorities, within the context of the Government’s National Outcomes and Purpose.

As our organisation continues to evolve we will seek to enhance our collaborative approach in a manner that brings wider benefits to our communities.

It is important that we remain focused on understanding and tackling the varying crime and public safety issues affecting local communities and seek to canvass opinion on the quality of policing we provide. As such we undertake an annual national public consultation survey; the outcomes of which allow communities to inform and influence the delivery of their local police services by identifying their top local policing priorities. These priorities form the basis of our multi member ward and local community police plans, which become the focus of our police service delivery for the forthcoming 12 month period.

All our work is underpinned by our commitment to Equality and Diversity. We recognise our duties under The Equality Act 2010 and are delivering a number of outcomes that ensure we meet the needs of our communities and our people.

**Working with the Scottish Police Authority**

Police Scotland does, and will continue to, support and work in close collaboration with the Scottish Police Authority (SPA) in developing a long-term strategic approach and in delivering our plans for policing in Scotland.

Critical to the success of this approach will be strong, open and trusting relationships at all levels and Police Scotland will work positively with the SPA (and other key partners such as the Scottish Government and HM Inspectors of Constabulary in Scotland) to maintain these relationships.

To support this collaborative approach, Police Scotland will provide the SPA with:

- access to timeous information, data and research;
- access to police staff in the provision of objective advice to assist the SPA in fulfilling its duties and responsibilities; and
- excellent working relationships built on transparency, mutual trust and respect.

This positive and constructive approach to our working arrangements with the SPA is fully aligned to the *Organisational Requirements - Principles & Practice of Scottish Police Authority Steady State Operations* paper that was considered and approved by the SPA Board in August 2013.
Our Culture and Values

Being a newly formed organisation we have invested in developing our values to foster a culture that helps to shape a positive and constructive relationship with those we serve.

Police Scotland’s right to police in communities must be earned and re-earned with every encounter we have with the public, both in terms of what we do, as well as how we do it.

As shown below in Figure 1; integrity, fairness and respect, underpinned by a commitment to upholding human rights, have been developed as our organisational values.

Figure 1 – Our Organisational Values

It is important that our values resonate with our people and are embodied by the organisation.

As such we have used our values to develop a Code of Ethics, articulating the standards the public can expect from us as well as those we should expect from one another.

Understanding the extent to which we are living our values, and policing by consent, are specific areas we are seeking to develop within our performance framework. This understanding will help us ensure that our values remain a consistent foundation for everything we do as our organisation continues to evolve and transform.

It stands to reason that, as well as aligning our behaviours with our values, our systems, procedures and processes also need to support a values-led approach. As such we are committed to placing our values at the heart of all the decisions we make as part of running our organisation.

As well as creating an organisation that is respected by those it serves and those who observe how it operates, we also have an opportunity to create an organisation that people want to be part of.

Our culture will be one in which our people understand the value they bring to the organisation and feel empowered to challenge ineffective policy and practice, initiate change, influence thinking and ultimately make a difference to the service and how it is delivered.

We will therefore develop our leadership approach to support our ambition, ensuring that our people understand the type of organisation we aspire to be, embrace our values-led approach and deliver positive outcomes for our local communities.

This will be enabled through clarity of purpose around operational and organisational delivery, both in terms of the why, as well as the what.
Our Approach and Direction

Since coming together as Police Scotland we have embarked on a significant programme of change. Transforming the service is our approach to consolidation and transformation within the organisation, and will continue throughout, and beyond, the lifetime of this strategy.

As a newly formed organisation, we recognise the need to outline our long-term direction and provide the necessary clarity and support to our people who will be pivotal in shaping Police Scotland for the future.

We strive for excellence in the delivery of police services. Moving forward as a single organisation, we have the opportunity to build a more efficient, resilient and forward thinking organisation, which is equipped to deal with future challenges and be transformational in its collaborative approach to deliver positive outcomes for the communities of Scotland. As our organisation evolves, we will seek to further promote public confidence and trust in the services we provide.

We are one year into the current spending round for public sector organisations within Scotland and have successfully met our target of delivering £42m in savings during 2013-14. This has been achieved against a backdrop of sustained operational performance.

The total net savings that the Scottish Police Authority are expected to deliver through the police reform process are £1.1bn by 2026. The savings that are expected to be delivered through the police reform process over the next two years are £46.4m (in 2014-15) and a further £20.5m (in 2015-16). The recurring element of the savings delivered by Police Scotland to date will exceed the expected level of reform savings by 2026. However, in addition to the £1.1bn police reform savings, due to further cost pressures – in particular the impact of wage inflation – further additional savings are also required. This means that an additional £21.8m is required in 2014-15 and an additional £35.9m is required in 2015-16. This results in a cost reduction target of £68.2m in 2014-15 and £56.4m in 2015-16. More detail regarding this information is presented within the financial planning section of this strategy.

If we are to continually improve the service we provide to communities whilst meeting the challenge of balancing a reduced budget, it will be necessary to ensure that we are properly structured, staffed and equipped to support operational policing delivery. We will also need to use our resources to best effect and look for new ways to undertake our business, driving continuous improvement with an ongoing focus on Best Value. This will include learning from existing innovative prevention projects across Scotland and working in collaboration with our partners to explore new opportunities.

Whilst the pace of change has been challenging during our first year, we have made good progress to consolidate our new organisation, building on best practice from previous legacy arrangements and providing greater consistency in the delivery of policing and support services.

Through our programme of transforming the service, we have taken significant steps to establish new structures within the organisation and commenced planning for the consolidation of processes and procedures that will enable the organisation to thrive. Engagement with our unions and staff associations about these proposals will continue to be a critical part of progressing this work.

It is anticipated that as we progress our consolidation and transformation activities over the forthcoming years (as shown in Figure 2 below) we will be in a stronger position to realise the identified benefits of reform and contribute towards the projected cost reduction targets for future years.

Figure 2 – Our Organisational Transformation
Our long-term strategy for policing in Scotland will not be shaped by our thinking in isolation. We will ensure that a wide range of partners within the justice system (both bilaterally and through the collaborative work that is led by the Justice Board) and beyond (e.g. Community Planning Partnerships) are involved in developing our thinking and subsequent approach.

Corporate Risks

Risk Management forms an essential part of Police Scotland’s robust governance and assurance approach, which will be managed through our Corporate Services Directorate.

Police Scotland has already established a Risk and Business Assurance function and introduced a comprehensive framework for risk reporting and mitigation, which enables corporate risks to be identified and reported to senior management and external agencies (including the SPA).

Our Risk and Business Assurance function also maintains oversight of the key actions required to manage and mitigate the key risks that are likely to impact on delivery of our organisational priorities.

In delivering our Corporate Strategy we will be actively managing a number of key corporate risks.

The following risks are included on our Corporate Risk Register and are being regularly monitored, mitigated and reviewed by the Senior Management Team and SPA Board:

- A failure to manage the budget gap – potential to result in an under-resourced organisation;
- Inability to retain key people – potential to reduce our ability to deliver services and result in a loss of organisational knowledge;
- Lack of investment in the legacy ICT estate – potential to prevent us from providing the technology required to deliver effective services; and
- A lack of capacity and capability – potential to leave us unable to deal with the pace of change required to deliver the corporate strategy and organisational priorities.
In prioritising the approach to develop our organisation for the future we have identified five key principles, which will support and demonstrate our focus on delivering Best Value to the public:

1. Our people will be motivated, flexible, feel empowered and valued

Police Scotland will be viewed as an employer of choice due to the interesting and diverse career opportunities and support mechanisms available to our people. This will allow us to attract and retain the diversity of people required and provide ongoing motivation for our people to excel in their roles.

We will provide additional and varied tools and pathways for our people to develop and maximise their potential, to provide us with an agile workforce that can respond effectively and flexibly to changing or emerging priorities.

We will continue to build our culture to be one where our people are valued, empowered and have the clarity, support and direction they deserve as part of Police Scotland.

2. Our services will be delivered with a focus on quality, consistency and accessibility

Our service delivery approach will be aligned to the statutory Policing Principles - to ensure that Police Scotland works in collaboration with others; is accessible to, and engaged with, local communities; and promotes measures to prevent crime, harm and disorder.

To target quality of service, we will identify and adopt good practice both internally and externally. This includes consideration of how we can share services with partners, where it will improve the effectiveness of service delivery for all parties.

We want to ensure that our internal and external services are accessible to those they support. Internally, this will result in our people having access to the resources they need regardless of location (e.g. specialist operational resources, corporate guidance and advice). Externally, we will ensure the public and our partners can access Police Scotland services in as efficient a manner as possible and that those services are responsive to local needs.

3. Our engagement with our people, partners and stakeholders will be proactive in manner, and include the use of modern communication channels

Police Scotland will adopt a policy of clear, meaningful and proactive two-way communication. This approach will help to resolve any uncertainty over our purpose, role and performance with our external partners and stakeholders. It will also support our people to deliver our services effectively during this period of organisational change and beyond.

We will be open and proactive in our communications, targeting earlier engagement on key information and analysis where this is possible.

We will listen to the public, our partners and our staff to incorporate their views. To help to achieve this, we will embrace new media and widen our communications channels.

4. Our assets will be managed in a way that will improve access to them, as well as improving their efficiency and sustainability

We will maximise the use of our existing assets and we will look for opportunities to consolidate and integrate functions that previously existed separately across legacy police forces, which will allow us to deliver consistent and high quality services right across Scotland. This approach will include exploring opportunities for co-location and sharing services, assets, systems and approaches across the wider public sector.
The use of more integrated technology solutions will be explored to improve the efficiency of associated processes. This will help to reduce our costs and also free up the time of our people to focus their impact where it can add the greatest value.

As a national organisation we have huge opportunities to improve the quality and consistency of the service that we provide and at the same time we will improve access to our assets and resources across Scotland. We will seek to provide sustainable assets that drive efficiencies, in relation to their usage and their impact on the environment. In taking forward this approach we will consider the resulting impact of any decisions on local employment and the Scottish economy.

5. Our approach to governance will be modern, streamlined and proportionate

Police Scotland is building its own effective and proportionate internal structures, performance management approach and controls to ensure that we are able to improve that service over time and also foster public confidence in the service that we provide. These structures and controls will complement the governance and scrutiny role performed by the Scottish Police Authority.

Our organisation will be an environment which supports and empowers our people: to use greater personal discretion; to give them increased personal accountability; and to enable them to make informed and transparent decisions, while managing risks effectively. This will allow decision making to take place at the appropriate level within the organisation. It will also allow processes to be streamlined and unnecessary barriers to be removed.

These principles provide a clear framework that supports the transformation of our organisation and will enable delivery of the Annual Police Plan, the SPA Strategic Objectives and ultimately keep people safe.
Supporting Operational Delivery

Our Corporate Strategy Principles provide a golden thread which runs all the way through our organisation. Delivery of our operational aims will be supported by four enabling strategic delivery plans:

- Our People;
- Our Technology;
- Our Organisational Support; and
- Our Finances.

Figure 3 below illustrates the structure of, and links between our corporate strategy, other key plans and associated delivery plans. These strategic delivery plans are appended to this strategy.

We are continuing to develop our performance framework with the SPA, which will allow our progress to be scrutinised and the impact of our proposals to be measured.

Throughout the forthcoming two year period we will continue to review the activities detailed within our delivery plans to ensure that our approach and activities remain relevant and will deliver our future savings commitments.

Furthermore we will review and refresh our Corporate Strategy ahead of the 2016-17 financial year, which will once again align and integrate the operational aims contained within our Annual Police Plan with our supporting Corporate Strategy.

Strategic Delivery Plan Overview

Our strategic delivery plans are themed in a manner which is supportive of the delivery of our principles.

Our plans describe the tangible development activities that will be undertaken over the forthcoming two years that will ultimately help enable the delivery of the Annual Police Plan and SPA strategic objectives. These activities have been designed to apply (in almost all cases) to both our police officers and our police staff. An overview of all of our forthcoming organisational activities is provided within the Corporate Strategy Roadmap as outlined in Appendix A. Further detail is contained within each specific delivery plan.

Whilst our principles broadly describe the type of organisation we aspire to become in the long-term; details of our supporting activities contained within our delivery plans are restricted to a two-year period which is in keeping with the timeframe for the current spending review.

Our plans have been developed in the context of reducing public sector budgets and provide an assurance that we have a clear plan of how we intend to tackle efficiency targets over the forthcoming two year period.
It is recognised that a number of activities within the delivery plans will require capital and/or revenue funding and will deliver financial savings. These activities will be subject to further analysis and scoping before we are in a position to make an informed estimate on the funding requirements and/or savings potential. The first step in delivering these activities will be to apply a business case approach to robustly assess the cost and benefit, and then to seek approval to proceed through our existing governance arrangements.

Our plans will be delivered under our umbrella Programme transforming the service, which encompasses all the key transformational change projects linked to the consolidation and transformation of our organisation.

2. Enhance our capability by focusing on leadership development at all levels in the organisation

Activities

- Develop a culture that promotes sustained organisational performance through values-led policing
- Devise an integrated training, leadership and development strategy
- Play a lead role in the development of a Scottish wide public sector Learning and Professional Development model
- Build on our existing international training development model

3. Support operational delivery through efficient and effective resource utilisation

Activities

- Further develop our demand management strategy, practice and processes
- Review our approach to resourcing front-line activity which will inform the development of our succession planning and business continuity model

4. Enabling our people to deliver excellent service in our pursuit of keeping people safe

Activities

- Incrementally implement plans to move towards a final state structure for the People and Development function
- Enhance our capabilities in relation to the co-ordination and deployment of our people
- Provide the tools to enable our managers to make informed decisions and manage and support their teams
- Work to further develop our employee relations

Our People

Our People strategic delivery plan sets out our commitment to equip, enable and support individuals and teams within Police Scotland and the SPA. It will shape our organisation and drive activity to improve the safety and wellbeing of people, places and communities within Scotland.

This plan articulates how our people will help us to deliver the best police service possible and enable the delivery of our focus to keep people safe.

Our people approach and corresponding activities can be summarised under four broad themes namely:

1. Diversify our workforce through the promotion of attractive, inclusive and responsible working practices

Activities

- Implement proposals to introduce alternative modes of entry to the organisation
- Standardise our terms and conditions of employment
- Implement measures to provide greater consistency and transparency to Health, Safety and Wellbeing issues
- Develop our approach to positively engage our people
Our Technology

Our Technology strategic delivery plan sets out how we will use technology and information over the forthcoming two years with a view to driving longer term organisational benefits by bringing innovative, progressive and forward looking technology and thinking into our ICT environment, in line with the Digital Public Services Strategy.

We see technology as an enabler of excellent service delivery, however recognise that our short term focus will remain on controlling and stabilising our existing technology estate before seeking to consolidate and rationalise to a national infrastructure. We aspire to provide our people with flexible access to the secure, resilient and reliable technology and information that they need to fulfil their duties efficiently and effectively.

Our technology approach and corresponding activities can be summarised under four broad themes namely:

1. A consolidated national infrastructure

Activities
- Implement a National Network
- Implement a single national desktop
- Implement a single solution for Active Directory, Email and Lync; technology which will improve our ability to communicate effectively
- Rationalise the datacentre estate

2. The portfolio of applications required for Police Scotland

Activities
- Develop a national software catalogue
- Commence implementation of i6: a national ICT solution which will make it easier to record and share information within operational areas of the business
- Capture requirements for delivery of priority applications
- Business case sign-off for priority applications

3. An integrated governance and engagement model

Activities
- Rationalise policies and procedures
- Implement an engagement model
- Develop an ICT futures plan

4. Provision of ICT capability and capacity

Activities
- Implement a new structure for the ICT function
- Conduct a skills audit and develop a sourcing plan to identify training and development requirements
- Devise a training, recruitment and sourcing programme
Our Organisational Support

Our Organisational Support strategic delivery plan outlines how we will ensure all component parts of our organisation operate in a co-ordinated manner, aligned to a clear strategy and in accordance with our ethics and values.

If we are to be as effective as we can be in keeping people safe, Police Scotland requires the support of a variety of specialist corporate services to enable the delivery of operational policing and ensure that we continue to operate as an effective and efficient public service at both a local and a national level.

Our organisational support approach and corresponding activities can be summarised under five key corporate services portfolios namely:

1. Organisational Development

Activities

- Create a Corporate Services Directorate
- Deliver ‘transforming the service’, our mechanism to deliver organisational change
- Streamline our approach to restructuring
- Develop our strategic planning function
- Deliver and demonstrate the benefits of reform

2. Analysis and Performance

Activities

- Develop our performance framework to include corporate performance
- Develop an approach to measuring our contribution to improving safety and wellbeing in Scotland

3. Corporate Governance

Activities

- Establish a service improvement plan
- Modernise our approach to managing information
- Implement effective management controls and assurance

4. Corporate Communications

Activities

- Restructure Corporate Communications and continue to improve the service we provide
- Create a new model for external engagement and internal communications
- Review how we engage with our people to improve how we support them through change

5. Physical Resources

Activities

- Conduct a strategic rationalisation of our estates
- Conduct a strategic rationalisation of our fleet
- Enhance our procurement approach
Our Finances

Our Finances strategic delivery plan articulates how finance and investment will facilitate and enable us to achieve our organisational priorities and deliver our focus of keeping people safe.

The delivery plan also sets out our spending plans for the next two years, which will enable the organisation to improve the safety and wellbeing of people, places and communities in Scotland.

In developing our plan we have worked with budget holders across Scotland to gain a robust picture of our finances across the country and the needs of our organisation going forward. We have used this knowledge to build sustainable budget plans through to 2015-16.

As an organisation we have looked at the resources available to us and undertaken an evidence based review of options that would enable us to transform to become as efficient and effective as possible whilst at the same time delivering our savings target.

Our finance and investment approach and corresponding activities can be summarised under five broad themes namely:

1. Centre of Expertise – providing professional advice, guidance and support

   Activities
   - Implement a new Finance structure
   - Commence a regular cycle of engagement to explore opportunities for income generation, partnership working and shared services
   - Design and deliver training outlining our financial environment and operational context

2. Engagement with organisational budget holders and stakeholders to obtain a clear understanding of the needs of the business

   Activities
   - Create a Corporate Finance & Investment Board
   - Implement a programme of planned and ongoing engagement between finance and budget holders

3. Supporting the organisation in the delivery of savings

   Activities
   - Develop proposals to obtain maximum value from the use of the Reform Budget
   - Refine and extend the cost reduction plan to cover beyond 2015-16
   - Engagement with budget holders to track the delivery of savings

4. Accessible systems and processes

   Activities
   - Consolidate our payroll systems
   - Procure a single Finance and HR information management system
   - Participate in a project related to the future administration of Police Pensions

5. Integrate financial planning and budget cycle into daily business

   Activities
   - Undertake a process of engagement with internal and external stakeholders to ensure financial requirements are captured
   - Develop a medium term capital investment plan
Financial Planning Overview

Police Scotland has developed a Finance & Investment Strategic Delivery Plan – Our Finances - which sets out our spending plans, to enable the organisation to improve the safety and wellbeing of people, places and communities in Scotland.

We have worked with our budget holders (individuals with responsibility for managing part of the Police Scotland budget) across Scotland to gain a robust picture of our finances and the needs of the organisation going forward. We have used this knowledge and information to build our sustainable budget plans through to 2015-16.

Our financial plan has been developed in the context of reducing public sector budgets and the need for all public sector organisations across Scotland to look for efficiencies and new ways of undertaking their business to ensure that we can continue to provide quality public services, secure Best Value and at the same time deliver upon the challenge of balancing our budget each year.

To set the financial context for the service, the budget position for the next two years is set out below. However, it should be noted that the detail below reflects the full budget for the SPA, which incorporates the funding for Police Scotland, Forensic Services and the Authority itself. Police Scotland’s share is approximately 97% of the total budget. The SPA’s draft budget for 2014-2016 was published on 11 September 2013 as part of the Scottish Government draft budget for 2014-15 and spending plans for 2015-16. The draft funding budget for policing is £1,041.2m in 2014-15 and £1,023.0m in 2015-16 – these budgets are set out in Table 1.

The budget is comprised of mainly revenue funding (including funding for the SPA), but also includes some capital funding for the purchase of equipment, ICT, buildings and vehicles.

Table 1 – Forecast Budget 2014-2016

* excludes funding for depreciation

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<th>2014-15 Budget £m</th>
<th>2015-16 Plans £m</th>
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<td>Scottish Government Grant (revenue)*</td>
<td>1,016.0</td>
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<td>Scottish Government Grant (capital)</td>
<td>25.2</td>
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<tr>
<td>TOTAL FUNDING</td>
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The financial position beyond 2015-16 has still to be set through the next Scottish Government Spending Review process.

Revenue Budget: 2014-2016

2014-15

Our revenue budget covers our day-to-day operations and expenditure. The budget for 2013-14 totalled £1,062.5m and our equivalent budget in 2014-15 will be £1,016.0m. This budget includes an assumed level of savings of £46.4m, which arise from the reform process of bringing together the ten legacy policing organisations in Scotland. In addition to these savings, Police Scotland will also have to absorb a range of cost increases (in a similar way to other public bodies), which depending on negotiations with unions and staff associations on pay remits may be up to:

- £18.1m to cover pay inflation;
- £3.0m to cover non pay inflation;
- £6.2m to cover other cost pressures
The greatest share of our resource budget, around 85%, is allocated to staff and officer costs. Figure 4 below shows how the costs are apportioned across staff and non-staff costs, based on the projected 2014-15 budget allocation.

**Figure 4 – Analysis of the projected 2014-15 Revenue budget by expenditure type**

The fact that around 85% of our budget is allocated against our staff costs creates a challenge in relation to achieving our savings targets - particularly when we are faced with a number of constraints on managing our people, including the Scottish Government commitment to maintain police officer numbers at or above 17,234.

**2015-16**

In 2015-16 the revenue budget is set to decrease by at least a further £21.6m to £994.4m and again requires the organisation to absorb a range of other additional cost increases which, depending on negotiations with unions and staff associations on pay remits, may total approximately £23m.

**Savings**

The total cumulative net savings that are expected to be delivered through the police reform process are £1.1billion by 2026.

Our approach to realising these cost reductions has been focused on the first three years of Police Scotland’s existence (2013-2016) in line with the current spending review. Of the savings we have identified to date, a significant proportion are recurring and that recurring element will exceed the expected level of reform savings by 2026 as shown within Figure 5 below.

**Figure 5 – Impact of recurring annual savings on Police Reform Savings Target**

In addition to the police reform savings, due to further cost pressures – in particular the impact of wage inflation – further additional cost reductions are also required.

A range of different organisational change proposals have been collated to form a detailed cost reduction plan that sets out how the savings targets for 2014-15 and 2015-16 will be met. This detailed plan forms part of the Police Scotland finance and investment strategic delivery plan – **Our Finances**.

Whilst our immediate focus is on managing our budget allocation and allocated cost reduction targets for the next two years, we are also actively planning how we will meet the continuing and significant financial challenges that exist beyond the period that this Corporate Strategy covers.
A further specific piece of work will therefore be taken forward to focus on the delivery of the savings targets beyond 2015-16 and a longer-term cost reduction plan will be developed as part of that work.

**Police Reform Budget**

In addition to the grant funding that the SPA receives from the Scottish Government for policing, there is also a ring-fenced pot of additional money that the Scottish Government holds.

This money is designed to assist with the costs arising out of the reform process, and wherever possible to help generate ongoing savings. These resources were available and accessed by Police Scotland in 2012-13 and 2013-14.

Additional resources will be available in 2014-15 and 2015-16 (up to £70m in each year).

£24m will be required from the (£70m) Scottish Government Reform Budget each year to cover the additional cost of VAT caused by losing the ability to reclaim VAT, which existed before the creation of Police Scotland as a national public service organisation.

**Capital budget: 2014-2016**

Our capital budget is used to invest in assets such as ICT, buildings, vehicles and equipment and for 2014-15 our capital grant allocation from the Scottish Government is £25.2m.

Our capital grant allocation will then rise by £3.4m in 2015-16 to £28.6m. This funding will be used to progress a range of priority investments including, ICT infrastructure projects, i6 ICT project implementation, fleet replacement and property enhancement works.
Measuring our Success

Assessing our performance is crucial to our success, as it helps us understand whether we are making the difference we have set out to make.

The traditional performance landscape for policing is heavily weighted towards the measurement of recorded crimes and incidents as an indication of the effectiveness of our activity.

We have recognised the need to build a more sophisticated and rounded framework, encompassing indicators relating to how effectively and efficiently we are operating as an organisation. These will help us assess our contribution to wider outcomes such as wellbeing.

We also want to continue to improve our access to and understanding of the views of our own people, our partners and the people we serve.

Building a more comprehensive and consistent understanding of our performance across the organisation will undoubtedly take time, particularly given the dependency on consolidating legacy systems and processes, however we are already working closely with the SPA, Scottish Government and other partners to begin this journey.

Our performance against our strategy will therefore become the focus of a monthly senior leadership meeting to ensure that we are transforming our service and culture, and enabling the delivery of our organisational purpose.

Progress against our four Strategic Delivery Plans will be monitored internally by our senior management team and also externally by specific SPA Committees.

Similarly, monthly monitoring via the SPA Business Change Working Group will facilitate detailed discussion regarding our progress, with quarterly reports to the full Board maintaining a momentum in terms of the review of our wider performance in the context of ongoing policing issues and demands.

Police Scotland is also subject to external inspection and scrutiny from Audit Scotland, the Police Investigation Review Commissioner and from HM Inspectors of Constabulary in Scotland. As we continue to develop our performance framework, we will also enhance the level of reporting against our strategy on our website. Altogether, this comprehensive and proactive approach will both help the robust scrutiny of our performance and facilitate the successful delivery of our plan.
Appendix A – Corporate Strategy Roadmap

The Roadmap below provides a high level overview of the key enabling activities from this plan that will be undertaken during 2014-16, aligned to the Corporate Strategy Principles.
**Our assets will be managed in a way that will improve access to them, as well as improving efficiency and sustainability**

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<td>Support the delivery of legacy projects inc. the Scottish Crime Campus at Gartcosh</td>
<td>Conduct a review of the location and use of our buildings across Scotland and use to support the ongoing integration and rationalisation our estates in a phased manner</td>
<td>Implement residential disposal and management programme</td>
<td>Conduct a lease review and develop implement lease termination plans for properties no longer essential in support of operational business</td>
<td>Implement programme of rationalisation and development in line with our policy requirements</td>
<td>Conduct Fleet Review</td>
<td>Develop and Implement Fleet Management System</td>
<td>Development and implementation of revised processes, including post-contract monitoring</td>
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<td>Review procurement approach</td>
<td>Rationalise the 8 existing payroll systems</td>
<td>Ongoing contract rationalisation</td>
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<td></td>
<td>Police officer pensions administration project</td>
<td>Scope and procure a new single Finance &amp; HR Information management system</td>
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**Our approach to governance will be modern, streamlined and proportionate**

- Implementation of improvements from review of change governance & restructuring process
- Development of TTS Benefits Reporting
- Develop SIP
- Develop Governance of SIP
- Review, develop & implement Information Charter & FOI Publication Scheme
- Explore the feasibility of streamlining our arrangements for storage of hard-copy information
- Develop standards & business case for electronic records & document management system
- Strategic mapping of all compliance requirements & development of 3-tiered approach
- Liaise with SPA to develop/implement complementary internal audit/assurance programme
- Development of Corporate Performance Framework & phased implementation of comprehensive measures
- Work in collaboration to develop understanding of performance in relation to wellbeing
- Implement Active Directory, Email & Lync Solutions
- Data centre Rationalisation
- Applications Audit & Rationalisation
- Develop ICT Futures Plan
- Implementation of approach and programme, with ongoing refinement based on risk assessment and stakeholder feedback
- Ongoing cycle of Board meetings to track, monitor and assess finance proposals and progress
- Ongoing (monthly) engagement with budget holders to track delivery of savings
- Continual review and updating of existing Cost Reductions Plan
- Develop a Cost Reductions Plan for period beyond 2015-16
- Identity and roll out ICT policies and procedures

**Key:**
- Our Organisational Support
- Our Finance
- Our People
- Our Technology
- All SDPs contribute
Corporate Strategy 2014
Strategic Delivery Plan - Our People
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Enable our people to deliver excellent service in our pursuit of keeping people safe 35

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Our people are the most important asset within our organisation. They have shown incredible resilience in recent years and continue to contribute strongly to our focus of keeping people safe within our communities.

We aspire to provide the people of Scotland with the best police service possible and strive for excellence in all that we do. In order for us to fulfil this ambition we need to equip, enable and support individuals and teams within Police Scotland and the Scottish Police Authority (SPA) to shape our organisation and drive activity to deliver our purpose.

Our People is one of a suite of interdependent Strategic Delivery Plans, which together underpin our overarching Corporate Strategy and describe how we will enable and support the organisation to improve the safety and wellbeing of people, places and communities in Scotland, with a focus on keeping people safe.

This particular plan articulates the role People and Development will play in the overall delivery of the Corporate Strategy, over a three-year period, starting with activity we have already undertaken in 2013-14 and outlining the key enabling activities that will be our focus up to April 2016.

The other Strategic Delivery Plans – Our Technology; Our Organisational Support; and Our Finances – inform and integrate with this plan and, in turn, this plan informs and integrates with them. Figure B1 illustrates how all these enabling plans underpin the Corporate Strategy, and are aligned to the strategic and operational documentation that provides the framework within which Police Scotland operates.
Our Approach and Context

Our People has been informed by the overarching principles set out in our Corporate Strategy and by using a process of consultation and engagement across the organisation to develop and refine plans for our people (both our officers and our staff) now and in the future.

We have worked with professionals from the People and Development function right across Scotland to gain a robust picture of our people issues and the needs of the organisation going forward. We have used this knowledge and information to build a sustainable plan for our people through to 2015-16.

This plan has been developed in the context of reducing public sector budgets and the need for all public sector organisations across Scotland to look for efficiencies and new ways of undertaking their business. This will ensure that we can continue to provide a high quality public service and at the same time deliver upon the challenge of balancing our budget each year.

We have structured our people approach around four key themes, to facilitate and enable the delivery of our organisational priorities.

The four themes that we have identified are:

1. Diversify our workforce through the promotion of attractive, inclusive and responsible working practices;
2. Enhance our capability by focusing on leadership development at all levels in the organisation;
3. Support operational delivery through efficient and effective resource utilisation; and
4. Enable our people to deliver excellent service in our pursuit of keeping people safe.

Each of these themes is outlined in greater detail in the remainder of this section.
1. Diversify our workforce through promotion of attractive, inclusive and responsible practices

As a national policing organisation it is our responsibility to improve the safety and wellbeing of people, places and communities in Scotland, and a vital part of this responsibility is to do so in a way that is accessible to, and engaged with, local communities. To enable us to meet the different needs of all our communities throughout Scotland we recognise that it is vitally important that we become an attractive, inclusive and flexible employer which is reflective of the communities we serve.

We are committed to advancing and mainstreaming equality considerations in everything that we do in order to make our organisation accessible to all and create a better balanced workforce. Since the formation of our organisation we have taken the opportunity to take best practice from our legacy arrangements to ensure that Equality and Diversity considerations are robust and integrated within our practices. This will ensure that we not only meet our obligations under the Equality Act 2010, but also provide strong organisational foundations from which we will begin our journey of transformation and improvement.

Our progress in this area will be tracked in line with our arrangements to monitor the delivery of our Equality and Diversity action plans.

We have a duty of care to our people and are committed to creating an environment where our people are safe, well and productive at work as this will enable our people to make a positive contribution towards the performance of the organisation. In support of this we will reduce bureaucracy by promoting more delegation and staff empowerment, allowing decisions to be taken as close to the front-line as possible. We are also committed to creating an attractive and inclusive working environment, which supports mobility and flexibility through innovative, modern and practical working practices.

As we evolve throughout the forthcoming years, we aspire to be an organisation which listens, and is responsive, to its staff; creating an environment where people feel valued and motivated to optimise their contribution to deliver excellent customer service.

Key Enabling Activities

In support of this theme we have already:

- Initiated a project to provide alternative modes of entry to the organisation, for example by providing the opportunity for recruits to carry out elements of their initial training prior to appointment. This approach has the potential to allow us to increase representation from under-represented groups as part of a broader review and modernisation of recruitment practice.

Looking ahead, in support of this theme we will:

1. Implement proposals to introduce alternative modes of entry to the organisation – we will continue to explore alternative, flexible recruitment options to attract people to the organisation. This will allow us to build a diverse workforce with increased representation from minority groups. Having already initiated a project in 2013-14 to scope alternative recruitment mechanisms, we intend to implement a new model for police officer recruitment by the end 2014-15. It is our intention to explore further alternative modes of entry to the organisation for police officers, police staff and special constables.

1.2 Standardise our terms and conditions of employment – we recognise the importance of developing terms and conditions of employment for police staff that are not only relevant to a modern police service, but which are also equitable across the organisation. Work will be initiated in April 2014 to review and standardise terms and conditions of employment as we continue to evolve as one service. As part of this process we will seek to optimise our flexibility as an employer through the development of transparent reward and recognition mechanisms. These will enable us to compete for, invest in and retain individuals who possess the skills and specialisms required to support future delivery within Police Scotland. Our target will be to develop and implement a programme of work that will deliver harmonised terms and conditions of employment by March 2016.
1.3 Implement measures to bring greater consistency and transparency to the management of Health, Safety and Wellbeing issues — it is imperative that we adopt responsible, ethical practices which serve to support our people and keep them safe while they are at work. We seek to provide greater consistency and transparency of management practices and reporting around all Health, Safety and Wellbeing issues. As part of our ongoing programme of activity we will continue to implement proposals to enhance our Health and Safety approach and promote best practice to create a safe and conducive working environment.

Having initiated a project in February 2014, we will move to develop and implement a consistent approach to attendance management through 2014-15. By the end of 2014-15, we will also move to a consistent model for Occupational Health and Wellbeing to ensure that our people have equitable access to professional Health and Wellbeing and Counselling services that have the ability to provide clinical expertise and high quality care. As part of our wider approach we will engage with our people to encourage them to take ownership of their own health and wellbeing and make choices that can improve their lifestyle. Similarly we will position our managers to positively promote the wellbeing of their staff through proactive management practices.

1.4 Develop our approach to positively engaging our people — given that our people are the most important asset within our organisation it is essential that we seek their views, understand what is important to them and use the feedback provided to positively develop our organisation. As part of our wider corporate communications plan (detailed within Our Organisational Support delivery plan) we will develop and implement a revised engagement approach during 2014-15.

This will include targeted ‘snap surveys’ focusing on specific people issues, providing a mechanism for more effective two-way communication during this period of transformation. We will also continue to conduct robust exit interviews to understand why individuals leave our organisation and feed that data into our strategic and tactical considerations as we continue to recruit and deploy officers and staff across the organisation.
In our pursuit of excellence we need to get the best out of every individual who works for the organisation. Maximising our performance as an organisation requires strong, effective leadership and a series of proactive interventions which, when taken together, will help to define our organisational culture.

As a newly formed organisation we have taken the opportunity to define our values which impact not only on how we do business, but also on the behaviours and culture of our organisation. We are committed to embracing a values-led policing approach where fairness, integrity and respect, underpinned by a commitment to upholding human rights, remain the cornerstone of everything we do. We have also developed a Code of Ethics, based on our organisational values, which articulates the behaviours and standard of treatment the public can expect from us and what we should expect from one another. As we shape our organisation for the future we are committed to developing our culture and leadership approach to ensure that our people understand the type of organisation we aspire to be.

As the newest police service in Europe, we have a platform to set new standards and create an organisation that people want to be part of and that is respected by those who require to use its service and also those who observe what it does and how it does it.

To take Police Scotland to this level we must create a culture where every officer and staff member feels empowered to challenge outdated or ineffective policy and practice, initiate change, influence thinking and ultimately make a difference to the service and how it is delivered.

To create that environment officers and staff must in the first instance truly feel accountable for the job they do and understand the value they bring to the organisation. This requires clarity of purpose around operational and organisational delivery – we must all be clear about the ‘why’ as well as the ‘what’. Supervisors, middle and senior managers must be developed and equipped to keep reinforcing the bigger picture in relation to the cumulative impact that the collective actions of our officers and staff have on the communities they serve.

There must be a consistent and compelling narrative put in place to support day to day activity that ensures that every member of the organisation understands the importance of applying a professional and ethical approach to their job.

This logic also extends into the fundamental practice of partnership working. Policing in Scotland in the 21st century demands leaders at all levels to adopt a positive, proactive and innovative approach to partnership working. The collective public purse is reducing and as such there is an expectation that leaders at all levels in public service must find ways to work more collaboratively across all sectors. This includes: seeking upstream interventions to key issues; focusing on the possible; stopping doing things that don’t work; taking responsibility for delivery; managing and sharing risk; and communicating and engaging both internally and externally to drive forward positive joint agendas.

In this context it is vital that we develop our leadership cadre across all levels of the organisation to give our people the confidence to deliver on day-to-day business, but also to propose, develop and implement continuous improvement. To this end we will promote a culture of lifelong learning where our people are encouraged and supported to develop their career at a pace that is tailored to the individual but also meets the needs of the organisation.

As a transformational, forward thinking organisation we want to capitalise on the individuality of our people and support them to be proactive and innovative in their approach to enable our organisation to evolve and deliver excellent police services. In order for this ethos to be harnessed, we must reinforce our trust in our people by supporting them to be professional and use their initiative to deliver the outcomes we need as an organisation. Where appropriate, we will seek to shift away from providing prescriptive directives such as those we would expect to see within traditional standard operating procedures and move towards providing guidance bound by clearly defined parameters. This flexible approach will enable the delivery of an appropriate response tailored to meet local and organisational needs.

2. Enhance our capability by focusing on leadership development at all levels in the organisation
We recognise that this approach provides scope for individual interpretation and as such we must be able to reflect on the impact of this approach and build in the capacity to share and learn from our experiences as the organisation evolves.

To fully invest in our organisational learning and maximise the potential of our people, it is also important that we look outward and seize opportunities to adapt and enhance our learning through collaboration with partners. We are therefore committed to seeking opportunities for shared learning ventures that will realise greater benefits for the wider public, private and third sectors.

**Key Enabling Activities**

In support of this theme we have already:

- Established the Chief Officer team within Police Scotland and implemented interim management structures throughout the organisation;
- Provided training across the organisation to allow us to drive organisational behaviours, standards and performance in line with the Police Service of Scotland (Conduct) Regulations 2014. The outcomes of this training will be reinforced throughout the coming year;
- Worked to build on best practice to inform and deliver value for money training and development plans for our people; and
- Engaged proactively and constructively with our public sector partners in the National Health Service, Fire and Rescue Service and through the Justice Board to scope opportunities for joint development ventures.

Looking ahead, in support of this theme we will:

**2.1 Develop a culture that promotes sustained organisational performance through values-led policing** — in shaping and transforming our organisation for the future it is critical that our values-led policing approach permeates through and is understood by the entire organisation and forms a key part of our innovative approach to partnership working. We will clearly articulate to our people, and to those we serve within local communities, what type of organisation we aspire to be through practical application of our values and our Code of Ethics.

We have developed and commenced a phased roll out of training to our managers in 2013-14 on the purpose of our organisation, our ethics and values. We will continue to roll out this training programme and reinforce the associated outcomes thereafter, which will include a focus on individual performance and contribution.

We recognise the need for an innovative and progressive approach to shape and foster our organisational culture in order to support our commitments to policing by consent and applying discretion. To take this forward we will scope, consult and develop proposals by the end of September 2014, to allow our Executive Team to consider how best to drive forward this activity.

**2.2 Devise an integrated training, leadership and development strategy** — formation of Police Scotland presents greater development opportunities than have ever been previously possible due to the scale and range of policing roles available across the single organisation. To ensure that we maximise the opportunities available we commenced work to develop an integrated training, leadership and development model in the final quarter of 2013-14. This model will introduce a more cohesive and coherent range of learning and development options, which are based on an informed assessment of individual and organisational need. It is anticipated this model will be fully implemented by March 2015.
Our leadership and development approach will be founded on two key principles. The first being the development of autonomous learners, where individuals are encouraged to take ownership of their own development. The second involves harnessing the collective potential of our people by providing a more flexible and inclusive approach to our existing talent management and career development activity.

As part of this model we will explore a variety of options to support individual professional development. These will include soft rewards, lateral development opportunities, coaching, mentoring, secondments, leadership exchange and business exchange opportunities.

We will establish clear lines of governance around leadership and professional development activity to ensure we continue to develop our people and organisational capability concurrently and coherently. It is intended that our integrated training, leadership and development model will support and sustain our succession planning and business continuity arrangements (which are being developed as per the activities outlined within action 3.2 of this strategic delivery plan). This will allow us to draw all appropriate information from ongoing activity (e.g. promotion process) and feed that data into management decisions concerning deployment and personal development.

2.3 Play a lead role in the development of a Scottish wide Public Sector Learning and Professional Development model – we recognise the importance of working with our partners to harness our collective impact in order to deliver improved outcomes for the people of Scotland. In developing our approach we are engaging with the Scottish Leaders Forum, which brings together representatives from Scottish Government and a wide range of partners across the public, private and third sectors. This forum provides an interface that enables the sharing of best practice and exploration of joint development ventures.

To maximise emerging opportunities for shared learning and development we will play a lead role in developing a national public sector learning and professional development model that seeks to develop potential at all levels and contributes directly to broader public sector priorities. Work to create this model commences in April 2014 and it is anticipated the model will be fully integrated into our wider leadership and development model by March 2015.

2.4 Build upon our existing international training development model – whilst we currently extend training and development opportunities to our international policing partners we aspire to develop our reputation as a global leader in the delivery of national police services. We have undergone a unique journey in creating a single national policing organisation and we now aim to position Police Scotland as a global centre of policing excellence where international partners from law enforcement and beyond can not only come, observe and learn from us, but also develop and influence future thinking alongside us.

It is therefore our intention to develop our existing international training and development model during 2014-15, which will provide development opportunities for other organisations and consequently create income generation opportunities that could be reinvested in Police Scotland. During this period we will also scope the feasibility of hosting a future international policing summer school, which would allow exchange of learning and development opportunities between police officers and staff at middle and senior management levels.
3. Support operational delivery through efficient and effective resource utilisation

On 1 April 2013 we implemented the largest change to Scottish policing in a generation by making the transition from ten policing organisations to a single police service for Scotland. This transition was successfully completed with minimal impact to our day-to-day policing operations.

We are committed to maintaining police officer numbers in line with the Scottish Government commitment for 1,000 additional officers. We are also committed to making best use of our available resources, ensuring all our people are deployed in the right place, at the right time, with the right skills, to provide and support a responsive, efficient and effective service, which keeps people safe within our communities.

In order to meet the needs of individual local communities we have realigned our teams within each of the local policing Divisions throughout Scotland. We will continue to align our focus and seek to improve our local police services through consultation with local communities. This will ensure that our approach to local service delivery can be co-produced with individual communities across Scotland, building upon the existing skills, knowledge, connections and resources of those communities.

Creation of a single police service has removed geographical barriers associated with previous legacy arrangements. This has enabled us to provide equitable access to our specialist services throughout the country.

Since the formation of Police Scotland we have also sought to reduce duplication and maximise efficiency by streamlining the processes and structures that we inherited from legacy policing arrangements. This has meant we have released, and continue to release, a number of staff through voluntary redundancy or early retirement. Whilst we have reduced the number of staff posts across the new service, we still remain a significant public sector employer in Scotland. We now move into the second year of change, continuing on the journey to standardise, streamline and remove inefficiency.

We do this with the continuation of a non-compulsory redundancy policy to protect staff who wish to remain in the organisation, while striving to maintain a dispersed workforce located across Scotland that is responsive to local needs.

We continue to drive forward organisational change to deliver an effective but sustainable organisational model for Police Scotland and as such we will continuously review our practices to ensure our steady state functions and teams are effective and remain fit for purpose.

It is important, moving forward as an organisation, that we understand our operating environment and enable organisational agility.

This will allow us to respond to future challenges whilst ensuring continuity and equality of access to our service.

Key Enabling Activities

In support of this theme we have already:

- Commenced a programme of organisational restructure to maximise efficiency, effectiveness and realise business benefits;
- Maintained police officer numbers in line with Scottish Government commitments; and
- Conducted a national public consultation survey to gain an understanding of varying crime issues affecting local communities and canvass public opinion on the quality of policing we provide.
Looking ahead, in support of this theme we will:

3.1. **Further develop our demand management strategy, practices and processes** – it is imperative that we continue to assess the evolving needs of our organisation and the associated resource management requirements. The People and Development function plays a critical role in workforce planning and ensuring that we are equipped to deploy our people in a manner which serves the diverse needs of our local communities to best effect. Throughout 2014-15 we will further develop our demand management strategy, incorporating horizon scanning to ensure that we remain a resilient and efficient organisation which has the capacity and necessary skills profile of officers and staff to deal with current demand and future challenges. As part of this strategy we will integrate training considerations within our governance arrangements to ensure that we are able to identify, develop and prioritise training needs appropriately and at an early stage.

As we evolve our demand management approach, it is important that we understand employment market trends and their potential impact on the organisation. To inform our demand management approach we will **conduct labour market analysis** by August 2014, using these findings to adapt our recruitment and employment approach for officers and staff in line with emerging trends.

3.2. **Review our approach to resourcing front line activity which will inform the development of our succession planning and business continuity model** – this will focus on the training and development opportunities we can offer to Police Officers (including Special Constables) with the view to optimising our establishment and maximising efficiencies. As part of this review we will also consider our approach to resourcing Contact, Command and Control (C3) and Custody Divisions to ensure that we have the correct balance of skills and experience to meet our duty of care, service to the public and fiscal commitments. As part of this extensive review, we will also consider opportunities for resourcing front line activity, which will include working innovatively with partners.

This activity will commence in the first quarter of 2014-15 with the completion of the review concluded by December 2014. This will inform the development of our succession planning and business continuity model which will be implemented by March 2015.
4. Enabling our people to deliver excellent service in our pursuit of keeping people safe

To ensure we remain an effective and resilient organisation it is critical that we provide the necessary infrastructure to support informed decision making at all levels and across all functions of the organisation. This will enable our people to contribute to the continuous improvement and success of the organisation. In its most basic sense this means giving our people the tools and information to do their job.

To do this we will support and empower our people to **make decisions affecting the organisation, based on our core values** and ensure that we provide equity of access to the specialist services provided by the People and Development function to support ethical decision making in relation to our people.

We have worked to converge and consolidate our policies and practices from the eight legacy Forces, SPSA and SCDEA. This continuing programme of activity will enable us to unify our corporate approach, provide clear direction to our people in relation to organisational expectations and outcomes and allow us to streamline our business practices.

We will continue to ensure that all converged policies and practices are tested by the Equality Impact Assessment process throughout development and implementation. This will ensure that there is no discrimination to our people, as well as identify any potential adverse impact our actions may have on members of our staff or communities within the protected characteristics as defined within the Equality Act 2010. Our development work will also consider how we might **better enhance equality of opportunity** for our own people as well as the service we provide to our communities.

**Key Enabling Activities**

In support of this theme we have already:

- Reduced duplication and streamlined our management structures;
- Supported our organisational change process by implementing a model which seeks to facilitate positive engagement with our people whilst maximising efficiency and providing a platform for line management to take organisational change forward through meaningful consultation and against optimal delivery timescales; and
- Progressed the integration and deployment of a number of policies and processes to support local line management.

Looking ahead, in support of this theme we will:

4.1 **Incrementally implement plans to move towards a final state structure for the People and Development function** – our restructuring plans will ensure that we develop a cohesive national People and Development team that is equipped to provide clarity of approach in relation to all people management matters, as well as provide consistency to the organisation in respect of strategic, operational and tactical support.

The first phase of our transformational activity has focused on the design and implementation of a steady state People and Development function that included the creation of a leadership team and associated interim structure to support the delivery of the strategic policing objectives set by the SPA and operational outcomes. It is anticipated that we will conclude our activities to migrate to a steady state structure by the end of April 2014.
As part of our restructuring activities we will **create a fully functioning Training, Leadership and Development function**. This function will have a clear focus and investment in leadership and professional development and will ensure that we are equipped to support prioritised operational activity (e.g. the Commonwealth Games and the introduction of a new Vulnerable Persons Database), as well as organisational development activity (e.g. introduction of new Conduct and Efficiency Regulations; the i6 Programme: new promotion process; and organisational change support activity). The Training, Leadership and Development function will continue to build on best practice to deliver value for money training and development plans, supported by strong internal governance processes.

In terms of measuring and reporting on what we do, we intend to increase the visibility of our internal performance by creating a transparent reporting infrastructure within our internal People Management governance arrangements.

To deliver on this we will **create an analytical/ performance capability within the People and Development function** to ensure that the function is operating effectively and efficiently. This capability will provide people centred management and performance information for all stakeholders.

Between April 2014 and the end of 2015-16 we will seek to **incrementally implement a People and Development Shared Services model** to enable the efficient, effective and consistent delivery of transactional support to the organisation. As we progress towards a final state structure we will undertake to continue to review our approach to ensure that it remains effective and sustainable. This will dovetail with our aspiration to scope and develop a programme of change that delivers an integrated shared service ethos and capability within the service that brings together elements of several back-office functions (e.g. Finance, People and Development, and possibly Procurement).

4.2 Enhance our capabilities in relation to the co-ordination and deployment of our people – it is vitally important that we have national overview of our existing establishment at any given time to allow us to consider the wider needs and demands of the organisation when co-ordinating and deploying our people, as per activity 3.1. Consequently we are seeking to harmonise legacy processes and practices and support this by **introducing a single SCOPE system** (System to Co-ordinate Personnel and Establishment) by autumn 2014. This will ensure that our available resources are accessible and visible whilst enabling consistency of approach to the co-ordination and deployment of personnel across the organisation. This integrates strongly with our strategy and plans around efficient and effective resource utilisation.
During 2014-15 we will progress a programme of work to assess management information requirements for the next 3-5 years, with a view to engaging expert practitioners to design and scope options for an integrated business solution, which would support the management of resource (including HR, Duty Management and Payroll) across the organisation. The work to scope our requirements and then progress towards an external commercial arrangement would be developed within the next financial year with any consequent procurement commencing in 2015-16.

4.3 Provide the tools to enable our managers to make informed decisions and manage and support their teams – our people are pivotal to our success as an organisation and as such it is critical that we provide the appropriate tools (policy, guidance, information and training) to support and enable managers to propose change and make effective decisions, without the requirement for direct involvement by representatives from the People and Development function.

During financial year 2014-15 we will develop a people management toolkit, which will clearly articulate what is expected of management and staff at all levels and enable the People and Development function to prioritise their involvement in people management issues.

As a corresponding supporting activity we are committed to a rolling training programme, commencing in April 2014, to up-skill our managers to support routine management issues. This will provide additional capacity and resilience to our internal promotion and recruitment processes as well as ensuring effective participation of line management across Police Scotland in our external recruitment activities.

In 2013-14 we delivered a ‘Skills for Transition’ learning and development programme to managers and staff to support, equip and allow us to effectively support the people most affected by change. This training programme will continue to be delivered during 2014-15. We will also seek to cross skill our workforce where appropriate to provide alternative career opportunities for those individuals affected by rationalisation within their business area.

4.4 Work to further develop our employee relations – we recognise that the employment relations landscape is complex, with different processes and legislation covering police officers and police staff. It involves a range of engagement activities including consultation, negotiation, engagement and general communication. It also includes a wide range of key stakeholders including staff associations and trade unions, the Scottish Police Authority, the Scottish Government and Police Scotland. In the first half of 2014-15 we will conduct a review of our existing practices and implement proposals which reinforce and clarify the consultation, negotiation and communication channels available for all stakeholders to participate meaningfully in the future development of the service. This will ensure that we make effective use of our own time, as well as that of our partners and key stakeholders, and reduce abstractions from daily business.

More importantly it will support accessing meaningful contribution from stakeholders when it is required. A review of the capacity and capability of those organisations engaged in the aforementioned activities will also be a key element of this work.
Corporate Strategy Principles, Business Benefits and Strategic Objectives

All of the activities contained within this plan are designed to contribute towards the five cross-cutting principles upon which our corporate strategy is based, the key business benefits that Police Scotland has identified in its benefits realisation plan and the Strategic Objectives that the Scottish Police Authority (SPA) has set out in its Strategic Police Plan.

The main business benefits that will be impacted upon by the activity outlined within this plan are:

- Better targeted investment;
- More efficient resource utilisation and reduced duplication of effort;
- Reduced operating costs;
- Greater consistency and quality of service delivery; and
- Improved collaborative working practices with partners.

The activities in this plan also make a direct contribution to the delivery of three specific SPA Strategic Objectives:

- Work in partnership to improve safety for the citizens of Scotland and reduce crime;
- Deliver the benefits of reform effectively and efficiently; and
- Promote a culture of excellence.

This plan will also enable the organisation to deliver upon its operational priorities (that are set out in the Annual, Local and Ward Police Plans), which in turn will contribute to the remaining four SPA Strategic Objectives.
Measuring Success

The objective of this enabling plan is to clearly identify how our People will support the delivery of the Corporate Strategy and outline the specific activities that will be undertaken prior to April 2016.

We recognise the need to evidence how these activities are supporting the organisation and we will work with the Scottish Police Authority to establish an agreed set of measures/indicators as part of the comprehensive exercise to develop our new performance framework. This planned activity is set out in the Organisational Support Strategic Delivery Plan within this Corporate Strategy.

We will track delivery of the enabling activities outlined in this plan as a means to assessing our progress in parallel to the development of the more specific metrics in the performance framework.
The timelines below provide a high level overview of the key enabling activities from this plan that have been undertaken to date in 2013-14 and will be undertaken during 2014-15 and 2015-16. It should be noted that whilst a number of the activities are already ongoing, others will extend beyond the timeframe of this strategy.

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<td>Jan – Mar 2015</td>
<td>Incrementally implement plans to move towards a final state structure for the People and Development function</td>
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<tr>
<td>Apr – Jun 2015</td>
<td>Training, Leadership and Development function established</td>
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<tr>
<td>July – Sept 2015</td>
<td>Analytical / Performance capability established</td>
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<tr>
<td>Oct – Dec 2015</td>
<td>Shared services model implemented</td>
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<tr>
<td>Jan – Mar 2016</td>
<td>Enable our people to deliver excellent service in our mission of keeping people safe</td>
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<tr>
<td>Apr – Jun 2013</td>
<td>Enhance our capabilities in relation to the coordination and deployment of our people</td>
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<tr>
<td>July – Sept 2013</td>
<td>Single SCOPE system implemented</td>
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<tr>
<td>Oct – Dec 2013</td>
<td>Commencement of rolling programme to up-skill managers</td>
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<tr>
<td>Jan – Mar 2014</td>
<td>Provide the tools to enable our managers to propose change, make informed decisions and support routine management issues</td>
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<tr>
<td>Apr – Jun 2014</td>
<td>Skills for transition training roll out complete</td>
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<tr>
<td>July – Sept 2014</td>
<td>People management toolkit implemented</td>
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<tr>
<td>Oct – Dec 2014</td>
<td>Further develop our employee relations</td>
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<td></td>
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<tr>
<td>Jan – Mar 2015</td>
<td>Review our approach to resourcing front line activity which will inform the development of our succession planning and business continuity model</td>
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</table>
Corporate Strategy 2014
Strategic Delivery Plan -
Our Technology
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The most efficient and effective use of, and access to technology and information has always been a key consideration for policing within Scotland but was challenging to deliver under the legacy structural arrangements. We believe there is potential in the longer-term to drive organisational benefit through an effective ICT function by bringing innovative, progressive and forward-looking technology and thinking to our ICT environment. In line with the work we are already progressing with the Scottish Government Digital Directorate, we must start planning for this journey now. In the meantime, we need to address the significant challenges of complex consolidation and legacy under-investment.

Our Technology is one of a suite of interdependent Strategic Delivery Plans, which together underpin our overarching Corporate Strategy and describe how we will enable and support the organisation to improve the safety and wellbeing of people, places and communities in Scotland, with a focus on keeping people safe.

This particular plan articulates the role technology and information will play in the delivery of the overall Corporate Strategy, over a three-year period, starting with activity we have already undertaken in 2013-14 and outlining the key enabling activities that will be our focus up to April 2016.

The other Strategic Delivery Plans – Our People; Our Organisational Support; and Our Finances – inform and integrate with this plan and, in turn, this plan informs and integrates with them. Figure C1 illustrates how all these enabling plans underpin the Corporate Strategy, and are aligned to the strategic and operational documentation that provides the framework within which Police Scotland operates.
Our ultimate goal for technology is that our people will have flexible access to the secure, resilient and reliable technology and information required to fulfil their duties efficiently and effectively. Our intention is that technology will be an enabler to service delivery.

The legacy infrastructure and systems inherited by Police Scotland, although optimised to service eight geographically separate police forces, Scottish Police Services Authority and the Scottish Crime & Drug Enforcement Agency, continue to fully meet the immediate needs of a single police force. However, it should be noted that these are of a disparate nature and are indicative of a historical lack of central ICT strategy and limited investment in core technologies. As a result, core technologies within Police Scotland’s ICT estate are dated and incompatible – at the time of establishing Police Scotland, national solutions were not feasible without investment in the technologies, people and processes required to deliver them.

It is therefore recognised that there will have to be a phased transition to achieve our goal for the use of technology. The short-term focus will remain on controlling and stabilising the existing technology estate before seeking to consolidate and rationalise to a national infrastructure and set of applications in the medium to long-term. This will then provide the basis for future consideration of aspirational and innovative uses of existing and emerging technology and provision of information, all aligned to the Digital Public Services Strategy.

Our Technology has been informed by the overarching principles set out in our Corporate Strategy, and by using a process of consultation and engagement across the organisation to develop and refine plans for our technology now and in the future.

This plan has been developed in the context of reducing public sector budgets and the need for all public sector organisations across Scotland to look for efficiencies and new ways of undertaking their business. This will ensure that we can continue to provide a high quality, locally-focused, public service and at the same time deliver upon the challenge of balancing our budget each year.

This delivery plan demonstrates the ambition of ICT to be fully embedded in Police Scotland, providing an operational supporting role through delivery of enabling technologies whilst also providing leadership as an advisor for technology and security.

We have structured our approach to technology around four key themes, to facilitate and enable the delivery of our organisational priorities.

The four themes are:

1. A consolidated National Infrastructure;
2. The portfolio of applications required for Police Scotland;
3. An integrated governance and engagement model; and
4. ICT capacity and capability.

Each of these is outlined in greater detail in the remainder of this section.
1. A consolidated national infrastructure

We will implement a consolidated infrastructure that is secure and resilient and provides the foundation for national delivery of Police Scotland services.

The National Infrastructure will:

- Provide a secure, resilient and efficient national ICT environment that is flexible and allows SPA and Police Scotland to operate in the model required to support the delivery of our operational and organisational priorities;
- Provide the foundation required to deliver the national applications identified as priorities for Police Scotland and enable the consolidation of the complex applications portfolio;
- Deliver the platform required to remove the legacy boundaries that affect the exchange of information and ability to work flexibly across Scotland;
- Be delivered using a standardised and consistent set of hardware and software resulting in a simplified ICT inventory that carries a lower maintenance burden and provides economies of scale from a procurement perspective;
- Support a higher quality of service delivery to the end users of ICT within Police Scotland and carry a lower risk of service failure;
- Reduce the number of data hubs from 23, leading to reduced overheads and a more efficient and responsive service;
- Deliver a scalable and reactive service based on virtualisation and use of Cloud Technologies. This will give Police Scotland an enhanced ability to align its infrastructure to future demand for ICT and information;
- Enable the ICT function to shift its focus from primarily keeping an ageing and complex infrastructure operational to providing more transformational and innovative service, support and guidance to Police Scotland; and
- Enable us to exploit further ICT opportunities.

Key Enabling Activities

We have identified a number of activities to deliver a consolidated national infrastructure. To date, in support of this theme, we have:

- National Desktop:
  - Signed a licensing agreement that will provide the platform for the national desktop; and
  - Implemented the new National Active Directory that will enable a single national desktop to be implemented.
- National Network:
  - Negotiated a new contract for Wide Area Network services with estimated savings of £300k per annum – this will provide improved performance, resilience and compliance;
  - Delivered a national network monitoring solution to enable faster problem resolution; and
  - Remodelled network connectivity to improve performance and resilience within the legacy Lothian & Borders and Strathclyde environments.
- Created a Technical documentation library providing improved visibility of and compliance with technical standards; and
- Undertaken service mapping of Applications, Systems and Data for the core Infrastructure to enable faster problem resolution.

Looking ahead, in support of this theme, we will:

1.1. Implement a National Network – the eleven, currently separate physical networks will be reduced to a national network providing appropriate levels of encryption where required. This will enable Police Scotland to remove barriers to delivery of national IT solutions, while ensuring the security and resilience of the ICT estate. The work to implement a national network commenced in 2013-14 and network services will be consolidated by mid-2016.
Prior to this consolidation, the national network backbone, which connects all geographical areas together, will be replaced by the end of July 2014. This will provide increased bandwidth, and facilitate the continued consolidation of applications as well as future-proofing the environment to ensure that applications can be run from any location.

1.2. Implement a single national desktop – a single desktop will be introduced in a phased manner across Scotland. This means that staff can access their desktop and IT applications regardless of where they log into the Police Scotland network, providing a consistent and standardised experience for all staff regardless of location, based upon use of the same operating system and Office suite of applications. A pilot is being undertaken in 2014, involving the roll-out of 1000 desktops, and a single desktop operating system and Office suite will be in place by the end of June 2015.

1.3. Implement a national solution for Active Directory, Email and Lync – the solution will provide desktop users with seamless communication regardless of location. Police Scotland will have access to modern communicator and email facilities that will enable our staff to more easily liaise with colleagues in the new national context. The solutions that enable improved remote communications for our staff will be fully implemented by April 2016.

1.4. Rationalise the datacentre estate – we will seek to reduce the number of existing data centres providing more efficient provision of services and result in future cost avoidance. There are some 23 data centres being operated and maintained in the current infrastructure landscape which, through migration to a set of data centre hubs, will enable more efficient provision of services from this reduced number of locations. Fewer, larger data centres offer potential benefits in keeping with the direction mandated in the i6 Programme - modern, scalable and extensible national services. A number of existing locations will be closed in 2014-15 and 2015-16, and transition to the new data centre estate will be underway in this two-year delivery period. ICT will provide solutions to the business requirements arising from the closure of these locations.

The detailed financial implications of delivering a single, national infrastructure have been estimated over a five-year period, starting with the work completed in 2013-14. The estimated cost of the activities planned for this delivery plan period is detailed below, although these will be subject to further review and will be finalised in Infrastructure Investment papers to be submitted to the SPA Board.

Table C1 - Estimated investment for National Infrastructure

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Capital (£000s)</th>
<th>Revenue (£000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>4,470</td>
<td>2,694</td>
</tr>
<tr>
<td>2015-16</td>
<td>2,800</td>
<td>1,494</td>
</tr>
</tbody>
</table>

As indicated above, the national infrastructure will help realise a number of financial and non-financial benefits. Financial savings will be delivered through lower energy costs (resulting from a reduced hardware estate) a lower support overhead for a rationalised and modern infrastructure and lower Microsoft licensing costs for the consolidated estate. It is estimated that the new national infrastructure will deliver annual cost reductions of approximately £1m to £1.5m.

Tracking Delivery

We will track the delivery of each activity set out in this delivery plan to ensure we deliver the anticipated outcomes. Table C2 below summarises how we will measure delivery of this plan.

Table C2 - Tracking delivery of our national infrastructure

<table>
<thead>
<tr>
<th>Activity</th>
<th>Outcome</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Consolidated National Infrastructure</td>
<td>National solutions are provided on an infrastructure that is more efficient to support and maintain.</td>
<td>Single IP Scheme in place by 31 March 2014</td>
</tr>
<tr>
<td>Implement a national network</td>
<td></td>
<td>National Network Backbone upgraded by 31 July 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Firewall consolidation complete by 31 March 2015</td>
</tr>
<tr>
<td>Activity</td>
<td>Outcome</td>
<td>Measurement</td>
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<tr>
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</tbody>
</table>
| **Implement a single national desktop** | | Consolidation of network services by 31 March 2016  
Financial efficiency gained |
| | The user desktop experience is the same for all staff across Scotland | Single Windows 8.1 Gold Image ready for rollout by 31 May 2014  
Completion of pilot involving 1,000 desktops in legacy Central by 30 June 2014  
All officers and support staff using a single MS Office suite by 30 June 2015  
All desktops using Windows 8.1 as the operating system by 30 June 2015 |
| **Implement national Active Directory, Email and Lync solutions** | Police Scotland workforce has the ability to work seamlessly regardless of location | Model for national Active Directory, email and Lync solutions defined by 30 June 2014  
National Active Directory, email and Lync solutions implemented nationally by April 2016 |
| **Datacentre Rationalisation** | Our data centre estate is more cost effective estate and supports delivery of a secure and resilient service | Commence rationalisation of hosted applications into Helen Street and Pulsant Datacentres on 1 June 2014  
Closure of the following data centres: Elphinstone House by 31 Aug 2014  
Osprey House by 30 Nov 2014  
Pitt Street by 30 June 2015  
Migration of national systems from Pacific Quay complete by 31 Dec 2015 |
2. The portfolio of applications required for Police Scotland

We will deliver an applications portfolio that meets the functional and information requirements of Police Scotland within its new national context.

The Applications Portfolio will:

- Reflect the business change associated with transition from the legacy Force structure and the requirements of a single police service;
- Deliver a recognised set of national applications that provide consistency of user experience across Police Scotland;
- Be sourced using the key principles of ‘Reuse, buy then build’. Police Scotland will seek to meet requirements by using existing systems where possible, and if the functionality does not exist on the estate it will seek to buy commercial off the shelf products that do not require significant customisation or development. The requirement for small-scale niche applications may be serviced through in-house development only where this represents Best Value to Police Scotland;
- Make use of open source technologies and standards, if appropriate, to increase the interoperability of technology across both Police Scotland and the wider public sector; and
- Meet Police Scotland operational priorities through delivery of the following national systems:
  - C3 – Contact and Command and Control;
  - HR and Duty Management;
  - Finance and Payroll;
  - Intelligence; and
  - Airwave.

Key Enabling Activities

In support of this theme, we have already:

- Undertaken an applications audit that has identified approximately 1,370 applications across Scotland. Key candidates for rationalisation and consolidation have been identified for contracts ending on or before 31 March 2014, including duplicate applications where multiple suppliers are providing similar functionality.

Looking ahead, in support of this theme, we will:

2.1 Develop a National Software Catalogue – build upon the audit of the existing applications portfolio to understand the business processes that each application supports with a view to identifying opportunities for consolidation and rationalisation of licensing requirements. In 2014 we will design and seek approval for a National Software catalogue, and (pending approval) in 2015 we will decommission the legacy applications and seek to procure the required national licences for the agreed catalogue.

This activity will be undertaken by the in-house ICT function and it is therefore judged not to carry any additional resource cost but is expected to generate efficiency gains from the rationalisation of contracts.

2.2 Commence the implementation of i6 – the design and implementation of i6 commenced in July 2013 and since then work has been ongoing to progress this significant programme. The i6 programme will deliver common, national policing processes through a single, national, integrated IT solution. The six operational policing areas of i6 represents in the region of 80% of core operational activities across Crime, Criminal Justice, Custody, Vulnerable Persons, Missing Persons and Property. The programme will reduce the bureaucratic burden on officers, enable them to be more visible in their communities and improve the working with key partners.
2.3 Capture requirements for delivery of priority applications – ICT will meet all requirements as defined by the relevant programme boards for the following prioritised operational policing projects on time and within budget:

- Contact, Command and Control (C3) - the model for the C3 division within Police Scotland is undergoing redesign, with a proposed rationalisation of its service centres and control rooms across Scotland. This redesign is dependent on the delivery of an enhanced set of centralised applications - there are currently eight separate command and control systems. Investment will be required to support this activity and financial savings will also be realised, although the ICT element can only be quantified once agreement is reached on the number of existing applications to be decommissioned;

- Integrated Finance and HR Information Management System - currently, there is a single finance solution for Police Scotland and SPA, multiple instances (ten) of a converged HR and Duty Management solution (SCoPE) and a variety of tools for Resource Planning. It is intended to implement a single integrated system to support the management of resource (including HR, Duty Management and Payroll) across the organisation; and

- Intelligence - the Scottish Intelligence Database (SID) has been the medium on which all intelligence has been hosted in the last eleven years. SID is operated on a perpetual licence and is backed by a support and maintenance contract that is due for renegotiation/extension in March 2015. ICT are investigating the market to determine what alternative credible intelligence products are currently available or can be developed to fit Police Scotland’s requirement, acknowledging the wider use of SID by partner organisations.

2.4 Achieve business case sign-off for priority applications – business cases will be developed for the procurement (if required) and implementation of the priority applications. The preferred procurement approach will be approved, pending the availability of funding, and procurement will be initiated for the highest priority project(s).

Tracking Delivery
We will track the delivery of each activity set out in this delivery plan to ensure we deliver the anticipated outcomes. The table below summarises how we will measure delivery of this plan.

Table C3 - Tracking delivery of the portfolio of applications

<table>
<thead>
<tr>
<th>Activity Outcome Measurement</th>
<th>Activity</th>
<th>Outcome</th>
<th>National Software Catalogue</th>
<th>Delivery of prioritised operational policing projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Police Scotland Software Catalogue approved by 31 December 2014</td>
<td>The required portfolio of Applications</td>
<td>National Police Scotland Software Catalogue approved by 31 December 2014</td>
<td>Procurement of Licences to use national applications completed by 31 December 2015</td>
<td>ICT has met all requirements defined by the relevant Programme Boards for the following prioritised operational policing projects on time and within budget: C3, Integrated Finance and HR Information Management System, Intelligence and i6</td>
</tr>
<tr>
<td>Police Scotland workforce has access to a consolidated list of national software applications that meet their requirements</td>
<td>By December 2015 the number of applications in operation will be significantly less than 1,700</td>
<td>Police Scotland workforce has access to a consolidated list of national software applications that meet their requirements</td>
<td>Police Scotland has access to modern core applications that remove administrative and bureaucratic barriers</td>
<td>Police Scotland workforce has access to consolidated list of national software applications that meet their requirements</td>
</tr>
</tbody>
</table>
3. An integrated governance and engagement model

We will establish an engagement model that ensures the technology and information requirements of Police Scotland are proactively captured and prioritised. We will also adopt an approach to governance that supports the consistent and efficient delivery of technology and information services.

The governance and engagement model will:

- Create an appropriate measure of accountability that assesses the success of the ICT function against the requirements placed upon it;
- Provide the tools and processes required to proactively track the status of ICT assets with a view to early identification of issues that may affect the delivery of services;
- Embed good practice IT Infrastructure Library (ITIL) practices that enable a more efficient and effective use of ICT resources;
- Establish a relationship and customer service model that promotes the integration of ICT staff into the wider organisation to assist with requirement gathering, performance monitoring and relationship management;
- Enable the provision of clear advice and communications both internally and to the wider organisation; and
- Develop an improved customer service focus with a view to positively developing the service user’s confidence in ICT.

Key Enabling Activities

In support of this theme, we have:

- Aligned ICT staff with police business areas to construct more focused and better informed portfolios;
- Developed and communicated processes for the management of demand which fully integrate with the transforming the service models;
- Established regular communications to ensure visibility of project level demand which is being scoped by ICT;
- Identified agreed counterparts within Business Change and Organisational Development to ensure communication on new initiatives;
- Constructed a consolidated service catalogue to provide common levels of service for specific applications (service levels have yet to be agreed);
- Initiated a project to streamline the IT service request process through the introduction of new technology; and
- Increased the level of engagement between Police Scotland ICT and other national and UK-wide agencies. This extends to membership of the Digital Public Services (DPS) Strategy Assurance Board, Public Sector ICT Industry Board, Public Sector Technical and Design Board, Scottish Wide Area Network (SWAN) Programme Board, ACPO Information Management Business Area (IMBA), Police CIO Council, Public Service Network (PSN) in Policing Project Board and the IT Directors’ Forum. Additionally, the Director of ICT has made presentations to the Holyrood SWAN Conference ‘Connecting Public Services’. Holyrood Annual Connect Conference, Police Strategy Forum and the ASPS Conference.

Looking ahead, in support of this theme, we will:

3.1. Rationalise Policies and Procedures – the suite of policies and procedures required to support the delivery of technology and information services will be identified and a project undertaken to create the documentation and roll it out to ICT staff. The ITIL model will be used to identify areas where existing practices can be improved and/or standardised, and to identify any gaps in how ICT services are delivered. The process to develop, approve and roll out these new policies and procedures will be completed by the end of 2015-16.

3.2. Implement an Internal Engagement Model – the proposed Service Delivery Model will be agreed and implemented as outlined in the new functional structure for ICT. The new model is aligned to our operational and corporate structure and will be established by early 2015. ICT will also support the design of an updated business change process, providing input on how ICT will, in relation to ICT-related elements, capture business requirements, assign a priority and support submissions to the relevant governance boards for consideration.
3.3. Develop an ICT futures plan – despite the short-term challenges faced we have already identified the need for an innovative progressive and forward-looking approach to the use of technology. In order to drive this agenda, by the end of Q2, we will begin to develop an ICT futures plan. We will continue to work closely with the Scottish Government Digital Directorate to ensure this plan is informed by and aligned to the DPS Strategy. This plan will involve engagement with the market, environmental scanning for emerging technologies and effective solutions to meet our organisational needs. The identification of emerging technologies will inform our medium and longer-term approach to business development.

Work is underway within the DPS Programme to identify and take the necessary actions at national level to achieve a workforce that can support and work in a digital environment. The Futures Plan will build on this work, consolidating our position with existing partners and identifying opportunities to engage with new partners to discuss delivery of digital services.

Additionally, the Police and Fire Reform programmes are progressing apace and will be taken into account as these primary blue light operators move from the traditional regional configuration to a single Scottish police service and a single fire and rescue service.

Tracking Delivery
We will track the delivery of each activity set out in this delivery plan to ensure we deliver the anticipated outcomes. The table below summarises how we will measure delivery of this plan.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Outcome</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance and Engagement Model</td>
<td>Roll out Policies and Procedures</td>
<td>Creation of an approved set of policies and procedures aligned with ITIL best practice in the areas of release management, change management, configuration management, incident and problem management and asset management</td>
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<tr>
<td></td>
<td></td>
<td>Co-ordinated delivery of communication and training of these policies</td>
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<tr>
<td></td>
<td>Implement Service Delivery Model</td>
<td>The new Service Delivery function is established, with all posts filled and working arrangements established by 31 December 2014</td>
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<tr>
<td></td>
<td></td>
<td>Existence of a centrally-held, prioritised register of ICT-dependent projects</td>
</tr>
<tr>
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<td></td>
<td>Evidence of earlier engagement between ICT and the Business Change function in accordance with the agreed Service Delivery Model.</td>
</tr>
</tbody>
</table>
4. Provision of ICT capacity and capability

We will have access to the core skills required to deliver and support the national infrastructure and applications portfolio and to manage the interface with the wider organisation. This will also include development of our supplier management capability for those technology elements that are delivered by third party suppliers e.g. i6.

It is our intention to develop a lean and efficient in-house ICT function. As a result we will identify the skills we need to source externally and at the same time develop our intelligent client capability to ensure we manage external contracts efficiently and effectively. We will however continue to provide core ICT infrastructure services using the in-house function.

Developing our ICT capacity and capability will:

• Provide an ICT function capable of delivering and supporting the business requirements of Police Scotland;
• Develop in-house capability commensurate with the Service’s expectations of the function;
• Improve control and standardisation across the ICT function ensuring processes and procedure are followed;
• Allow us to manage and maintain an accurate inventory of all ICT assets and change to ensure that these remain current and necessary;
• Help us deliver lifecycle management of the ICT budget and estate, ensuring value for money is achieved; and
• Consolidate our position as an advisor to the category for Police Scotland and, in the longer term, achieve our ambition to provide leadership and expertise to other blue-light and public sector organisations within the UK.

Key Enabling Activities

In support of this theme, we have:

• Introduced standardised weekly resource management reporting for ICT Staff to assist with resource planning; and
• Outlined a conceptual model for ICT skills recording and management for approval by the ICT Senior Management Team.

Looking ahead, in support of this theme, we will:

4.1. Implement a new ICT Structure – the proposed new structure for the ICT function will be approved and implemented. The structure will be fully implemented by December 2015. The restructured ICT function will realign the Business Partner Managers and Strategic Procurement into ICT and allow for a five function ICT model, lending itself towards the delivery of Information Technology, Applications and Development, Service Management, Service Delivery and ICT Procurement.

The new structure will help ICT successfully integrate into Police Scotland, complete outstanding strategic projects, support business change and meet increasing ICT demands, whilst realising cost reductions.

4.2. Conduct a Skills Audit and Develop a Sourcing Plan – Complete a skills audit focused on the core skills required to deliver the national infrastructure, applications portfolio and engagement model as outlined above. This will include the identification of training and development requirements for existing staff, an assessment of key skills gaps and the development of a sourcing strategy for the external skills needed. A skills register and supporting sourcing plan will be in place, and aligned to the new structure, by March 2015.
4.3. Devise a Training, Recruitment and Sourcing Programme – The required training programme and sourcing plan identified following the skills audit will be defined, prioritised and delivered in accordance with available funding. It is anticipated that the programme will be rolled out from July 2014 onwards. It is currently estimated that the training programme will cost approximately £1.6m over 2014-15 and 2015-16.

Tracking Delivery
We will track the delivery of each activity set out in this delivery plan to ensure we deliver the anticipated outcomes. The table below summarises how we will measure delivery of this plan.

Table C5 - Tracking delivery of our ICT Capability and Capacity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Outcome</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT Capacity and Capability</td>
<td>Phase 1 of the new ICT Structure is established, with all posts filled and working arrangements established by 31 December 2014</td>
<td>Full ICT restructure complete, with all posts filled and working arrangements established by 31 December 2015</td>
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<tr>
<td>Implement new ICT Structure</td>
<td>Our people have clarity of role and structure within which they operate, enabling focus on service delivery</td>
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<tr>
<td>Undertake skills audit produce sourcing plan</td>
<td>A register of skills is held and skills gaps have been identified</td>
<td>Skills Matrix Model defined and approved by July 2014</td>
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<tr>
<td>Roll out training programme</td>
<td>A co-ordinated training and development programme exists and there is evidence of an increase in staff holding critical skill-sets by 31 December 2015</td>
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Corporate Strategy Principles, Business Benefits and Strategic Objectives

All of the activities contained within this plan are designed to contribute towards the five cross-cutting principles upon which our corporate strategy is based, the key business benefits that Police Scotland has identified in its benefits realisation plan and the Strategic Objectives that the Scottish Police Authority (SPA) has set out in its Strategic Police Plan.

The main business benefits that will be impacted upon by the activity outlined within this plan are:

- Better targeted investment;
- More efficient resource utilisation and reduced duplication of effort;
- Reduced operating costs;
- Greater consistency and quality of service delivery; and
- Improved collaborative working practices with partners.

The activities in this plan also make a direct contribution to the delivery of three specific SPA Strategic Objectives:

- Work in partnership to improve safety for the citizens of Scotland and reduce crime;
- Deliver the benefits of reform effectively and efficiently; and
- Promote a culture of excellence.

This plan will also enable the organisation to deliver upon its operational priorities (that are set out in the Annual, Local and Ward Police Plans), which in turn will contribute to the remaining four SPA Strategic Objectives.
The objective of this enabling plan is to clearly identify how our Technology will support the delivery of the Corporate Strategy and outline the specific activities that will be undertaken prior to April 2016.

We recognise the need to evidence how these activities are supporting the organisation and we will work with the Scottish Police Authority to establish an agreed set of measures/indicators as part of the comprehensive exercise to develop our new corporate performance framework. This planned activity is set out in the Organisational Support Strategic Delivery Plan and within this Corporate Strategy.

We will therefore track delivery of the enabling activities outlined in this plan as a means to assessing our progress in parallel to the development of the more specific metrics in the corporate performance framework.
The timelines below provide a high level overview of the key enabling activities from this plan that have been undertaken to date in 2013-14 and will be undertaken during 2014-15 and 2015-16. It should be noted that whilst a number of the activities are already ongoing, others will extend beyond the timeframe of this strategy.

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<td>Reduce eleven legacy networks to a national network</td>
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<td>Implement a single national desktop</td>
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<td>National Network Backbone upgraded</td>
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<td>Implement Active Directory, Email &amp; Lyric Solutions</td>
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<td>Datacentre Rationalisation</td>
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<td>Elphinstone House Closure</td>
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<td>National Systems migrated from PQ</td>
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<td>Applications Audit and Rationalisation</td>
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<td>National Software Catalogue approved</td>
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<td>Reduced Number of Applications in Operation</td>
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<td>Delivery of prioritised operational policing projects (C3, Integrated Finance/HR Information Management System, Intelligence, i6)</td>
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<td>ICT has met all requirements defined by the relevant Programme Boards on time and within budget</td>
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## Governance & Engagement Model

- **April – June 2013**: Identify and roll out policies and procedures
- **July – September 2013**: Agree and implement Service Delivery Model
- **October – December 2013**: Develop ICT Futures Plan

## ICT Capacity & Capability

- **April – June 2013**: Design, approve and implement new ICT structure
- **July – September 2013**: Undertake skills audit, clarify training/recruitment needs and sourcing plan
- **October – December 2013**: Model defined & approved
- **January – March 2015**: Skills Register aligned with new ICT Structure
- **April – June 2015**: Design, prioritise and deliver training and sourcing programme
- **July – September 2015**: Undertake recruitment to secure short-term capability
Corporate Strategy 2014
Strategic Delivery Plan -
Our Organisational Support
## Contents

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For Police Scotland to be as effective as it can be in keeping people safe, it requires all its component parts to operate in a co-ordinated and integrated manner, aligned to a clear strategy and acting according to its ethics and values. It also requires the support of a variety of specialist corporate services to enable the delivery of operational policing and to ensure the organisation is operating as an effective and efficient public service.

Our Organisational Support is one of a suite of interdependent Strategic Delivery Plans, which together underpin our overarching Corporate Strategy and describe how we will enable and support the organisation to improve the safety and wellbeing of people, places and communities in Scotland, with a focus on keeping people safe.

This particular plan articulates the role corporate services will play in the delivery of the overall Corporate Strategy, over a three-year period, starting with activity we have already undertaken in 2013-14 and outlining the key enabling activities that will be our focus up to April 2016.

The other Strategic Delivery Plans – Our People; Our Technology; and Our Finances – inform and integrate with this plan and, in turn, this plan informs and integrates with them. Figure D1 illustrates how all these enabling plans underpin the Corporate Strategy, and are aligned to the strategic and operational documentation that provides the framework within which Police Scotland operates.

The plans are also aligned to the five principles embedded in our Corporate Strategy, which bring a consistency to our corporate approach and direction, all of which has a robust financial underpinning.
Our Approach and Context

Our Organisational Support has been informed by the overarching principles set out in our Corporate Strategy, and by using a process of consultation and engagement across the organisation to develop and refine plans for providing organisational support in the future.

This plan has been developed in the context of reducing public sector budgets and the need for all public sector organisations across Scotland to look for efficiencies and new ways of undertaking their business. This will ensure that we can continue to provide a high quality, locally-focused, public service and at the same time deliver upon the challenge of balancing our budget each year.

We have structured our organisational support approach around the five key corporate services portfolios to facilitate and enable the delivery of our organisational priorities.

The five portfolios are:

1. Organisational Development;
2. Analysis and Performance;
3. Corporate Governance;
4. Corporate Communications; and
5. Physical Resources.

Each of these is outlined in greater detail in the remainder of this section.
1. Organisational Development

During the initial establishment of Police Scotland, primary focus was rightly on maintaining the delivery of local operational, front line services and realising the early benefits of having national specialist divisions.

Though at 1 April 2013, support functions were split across both the SPA and Police Scotland, during the first year, governance and administrative arrangements between both organisations matured and almost all corporate functions are now delivered by Police Scotland. Consequently there is a real commitment to define and develop a corporate hub to support organisational strategic planning and delivery, and act as glue between all the support functions. This will enable the service to achieve its purpose, particularly during this period of wholesale change.

At the heart of striving to provide an effective corporate function, lies the commitment to enable policing locally. Indeed the role of the corporate hub is to help harness and co-ordinate our collective ability towards the delivery of our purpose of improving the safety and wellbeing of people, places and communities in Scotland.

Therefore, while the work of the corporate hub will serve to support the delivery of our service to a consistent standard, the delivery of that standard will be, by default, tailored to the different needs of the people, places and communities in Scotland.

Key Enabling Activities

In support of this portfolio we have already:

- Articulated the Purpose and Focus of Police Scotland, supported by the values of Integrity, Fairness and Respect;
- Developed this Corporate Strategy and a number of associated Strategic Delivery Plans;
- Worked in collaboration to align our Corporate Strategy with the SPA Strategic Plan, the Annual Police Plan, Local Police Plans and other key plans/ strategies;
- Established an interim business change function;
- Developed and begun to implement our transforming the service programme;
- Supported the development and implementation of a significant number of organisational restructuring projects; and
- Established a benefits realisation plan and framework.

Looking ahead, in support of this portfolio we will:

1.1. Create a Corporate Services Directorate - the corporate business areas of the service commenced a programme of restructuring following the creation of Police Scotland. The restructuring process is designed to standardise corporate working practices, deliver joined up services, reduce duplication and deliver financial efficiencies. This work initially focused on the delivery of multiple individual functions and we will now seek to further improve service delivery by the creation of a Corporate Services Directorate which will ensure that corporate services are delivered on a complementary and efficient basis and are co-ordinated to maximise the support offered across Police Scotland.

We will deliver a Directorate of Corporate Services, comprising the five portfolios of Organisational Development, Analysis and Performance, Corporate Governance, Corporate Communications and Physical Resources, aligned to this plan.

We will ensure that a management structure and identity is in place prior to April 2014 and will plan to conclude the broader restructuring of each portfolio by December 2014. It is estimated that the new Directorate will significantly reduce in size from legacy structures.
1.2 Deliver transforming the service – the pre-April 2013 National Police Reform programme ensured that the merger of the legacy forces and agencies met the legal requirements and initial operational needs of Police Scotland. We anticipate that the full transformation of the service to maximise the benefits of reform and build on the efficiencies and effectiveness already delivered will be a long-term change programme.

In order to focus the future development of the service, the transforming the service portfolio was launched in April 2013 to co-ordinate and drive change moving forward. The portfolio constitutes three major programmes, which cover the strategic level business areas of the service: Local Policing, Corporate Business and Crime & Operational Support. The three programmes comprise a total of 27 projects with additional projects being developed, considered and approved on a regular basis, through the governance of the three programme boards and the Change Board, which oversees the overall portfolio. The timescales for each individual project varies, but the programme of collective activity will continue throughout the two-year period that this strategy covers, and beyond.

Moving forward we will review our approach to, and governance of, change in order to ensure that it maximises the effective delivery and balances this with minimising bureaucracy. We will seek to become proactive in identifying opportunities to make the service more efficient and effective and support other business areas in delivering change, which will always seek to further our aim of keeping people safe.

There will be no additional cost associated with the delivery of the review and development of transforming the service, which will be co-ordinated by Organisational Development and will deliver a wide range of organisational benefits.

1.3 Streamline our approach to restructuring – one of the realities of the creation of Police Scotland is that we will be a smaller organisation moving forward; while some people will choose to leave the organisation, those who remain will undergo change to their roles or the way in which they work.

Learning from year one and the preparation for the creation of Police Scotland, we want to improve the way in which we manage change, to be sure that we tell our people what we can, as soon as we are able and in line with our values.
We will look to further improve our processes from the experience we have had in the initial months of operation of Police Scotland to ensure that change happens in appropriate timescales without negatively impacting on the broader performance of the organisation and in particular keeping people safe.

We recognise that streamlining the process will deliver a number of benefits both at an individual and an organisational level. We are keen to provide certainty to people about their future in the organisation as soon as we can, whether or not they are going to remain with the Service. At the same time, we recognise the need to create new and sustainable structures, in pursuit of effective service delivery and the realisation of cashable savings.

1.4 Develop our strategic planning function - as an organisation, we recognise the importance of ensuring that our strategic direction is clearly articulated, understood and reflected in the work we undertake and service we deliver.

To that end we will establish a strategic planning and development function within Organisational Development by April 2014. We anticipate that this will be cost neutral. The purpose of the function will be to manage a planning cycle that will support the evidenced-based development and delivery of strategy and ensure that we work closely with other areas of the organisation (including key support and input from Analysis and Performance, Business Assurance, People and Development, Finance and ICT), as well as the Scottish Police Authority, Scottish Government, Justice Board and other key partners. Developing our ability to learn from what has gone before and from others will be key facets of this approach.

Through the implementation of the strategic planning and development function we will ensure that the whole organisation is aligned to delivering our focus on keeping people safe in a planned and co-ordinated fashion and that we are contributing to relevant wider Scottish Government National Outcomes, the Justice Strategy and Single Outcome Agreements.

1.5 Deliver and demonstrate the benefits of reform - a benefits strategy and benefits realisation plan were integral parts of the planning for Police Scotland. As we move forward we will ensure that we report effectively on the achievements the Service has already made as well as the work that still requires to be done to fully realise all of those benefits. We will ensure that our mechanisms for recording progress are robust and transparent and minimise bureaucracy. This approach will use a range of internal and external indicators and will allow us to use the lessons learned to develop our reporting processes for the Scottish Police Authority.

We also recognise that the service must identify evidence and report the financial and non-financial benefits of future change, which will be delivered by transforming the service and the corporate strategy.

This will be undertaken from within Organisational Development and will ensure that effective reporting processes for the delivery of reform benefits are in place for April 2014, and beyond that additional reporting in support of the benefits identified from transforming the service are in place by August 2014.
2. Analysis and Performance

Effective understanding of our performance is key to improving our service and facilitating the scrutiny of what we do.

The traditional performance landscape for policing is heavily weighted towards the measurement of recorded crimes and incidents as an indication of the effectiveness of our activity. We recognise the need to broaden our approach to gain a more holistic view of our performance covering how we operate as an organisation and the impact we have. As part of this approach, we will examine how we might enhance our analytical capacity and skills to supplement our existing strong performance management capability.

We also recognise the importance of ensuring our drive to improve our service is underpinned by our values and ethics. Indeed, understanding the extent to which we are both living our values, and policing by consent, are key areas to develop as part of our performance management framework.

While there are challenges arising from bringing different legacy data sets, processes, and frameworks together there are real opportunities to consider what information we collect, access, analyse and report.

Key Enabling Activities

In support of this portfolio we have already:

- Established a performance framework and management process which drives operational activity and is the basis of performance reporting to the Board;
- Implemented a rolling customer satisfaction survey; and
- Conducted an extensive public consultation exercise across all multi member wards.

Looking ahead, in support of this portfolio we will:

2.1. Develop our performance framework to include corporate performance - we will build a more rounded framework to help us understand our performance against our Corporate Strategy, which will include measures relating to activities within the four strategic delivery plans and our ethics and values.

By 1 April 2014, we will introduce an approach to enable us to monitor the delivery of our Corporate Strategy. During the course of 2014-15 we will continue to develop and review our approach to ensure that we deliver and present more comprehensive measures. This activity will be delivered at no incremental organisational cost.

2.2. Develop an approach to measuring our contribution to improving safety and wellbeing in Scotland - looking forward across 2014-15 we will work in collaboration with our partners to develop our framework to understand our performance in relation to our purpose of improving the safety and wellbeing of people, places and communities of Scotland.

Whilst we recognise this will be extremely challenging, we feel it is appropriate and timely to map our significant contribution to this wider quality of life outcome, using existing multi-agency information where relevant. As part of this work it will be inevitable that we will seek to understand the extent to which our policing style reinforces policing by consent and ultimately supports confidence and wellbeing.

In progressing this activity we will link in with wellbeing work already being undertaken, for example, through the Scottish Government’s Building Safer Communities programme.

Thereafter, we will introduce a range of appropriate indicators into our performance framework in 2015-16. This work will have clear linkages to the Scottish Government’s National Outcomes and the work of the Justice Board. We will undertake this work using existing resources.
3. Corporate Governance

Information standards, assurance, and governance are key components that will enable us to deliver our service, drive performance and harness opportunities while also mitigating risk. At the same time business continuity arrangements and legal services are valuable in supporting the stability of our service. As a result we will create a Corporate Governance function that will combine these activities within the Corporate Services Directorate. In addition we will deliver a range of processes and products, which will be robust, yet streamlined and non-bureaucratic, thereby supporting effective decision-making, scrutiny and learning.

We recognise that our behaviours and processes in relation to governance are underpinned by our culture, particularly with respect to risk. We also acknowledge that we are still developing our new culture as Police Scotland and that part of this will involve formalising our position on risk to unify the different legacy perspectives.

This is particularly pertinent when it comes to perspectives on discretion and proportionality in terms of policy and controls. Therefore all the work in relation to governance will be founded in a consolidated interpretation of the organisation we aspire to be and our appetite for risk.

Key Enabling Activities

In support of this portfolio we have already:

- Established a corporate Information Management function for Police Scotland and implemented a freedom of information publication scheme on our website;
- Established a Risk and Business Assurance function and introduced a comprehensive framework for risk reporting and mitigation, enabling corporate risks to be identified and reported to senior management and external agencies e.g. Scottish Police Authority;
- Developed a business continuity framework, which is being introduced to divisions and functions throughout the country;
- Established a set of internal governance arrangements and implemented changes to improve streamlining, effectiveness and accessibility, and enhance alignment to external governance arrangements; and
- Established mechanisms to facilitate and meet the requirements of external governance by the SPA and other bodies e.g. Scottish Government.

Looking ahead, in support of this portfolio we will:

3.1. Establish a Service Improvement Plan - we are undergoing a significant period of change, however we recognise that as each area of business is restructured and moves into its future state, there is a need to continue to seek opportunities to improve our services. As an organisation we welcome review and scrutiny and will always endeavour to learn lessons identified within or from out with the service.

To this end we will develop and manage a service improvement plan, with associated materials to support various types of review, working with other business areas and the SPA to ensure that all opportunities to improve are examined, and where possible, our services are improved. The service improvement plan will be owned and managed by Corporate Governance on behalf of the wider organisation and will be a freely available document to ensure we are open about the opportunities we have identified and can take on board additional suggestions.

The initial delivery plan will be in place by end of Q1 2014-15 and the full management and reporting processes will be developed and in place by October 2014. There will be no additional cost identified in delivering the plan, which will be done from existing resources.

3.2. Modernise our approach to managing information - we recognise the benefit of adopting a more proactive approach to public access to information. We will review and develop our freedom of information publication scheme, enhance our processes to ensure proactive access to a variety of types of information and publish an Information Charter to set out the service standards internal and external users can expect in relation to our management of information.
We will explore the feasibility of streamlining our arrangements for storage of hard-copy information to provide cost-effective, accessible and secure facilities configured to support the organisation. This has the potential to generate a degree of, as yet unclear, cashable savings.

We will introduce an approach to information sharing that will enable operational divisions to collaborate more effectively with partners and implement controlled electronic records and documents management, subject to a suitable business case and available funding, to improve access to information without compromising the effectiveness of our information security and records management procedures. This activity also encompasses the need to assure our information security requirements commensurate with our new status as a national organisation.

3.3. Implement effective management of controls and assurance - we recognise that in the bringing together of ten legacy organisations each with different systems, processes and approaches to risk, there is not only a need to ensure that all of these are streamlined, but also to provide assurance that there is suitable management control in place in line with the risk appetite of Police Scotland.

We will mature our approach to the co-ordination and management of controls and assurance activity. This will incorporate devolved, proportionate checking with easy to use standardised toolkits, corporate oversight through audit and inspection, and facilitation of independent review by, for example, HMICS.

In addition we will work with the SPA to develop a complementary programme of Internal Audit and internal Business Assurance to give the organisation and scrutiny bodies the optimum level of assurance that procedures guidelines and regulations are appropriate and being adhered to at every level.

The review of our processes and the development of our approach to audit and assurance will be done using existing resources. While we are as yet unable to quantify the benefits to be gained, the successful mitigation of risk and management of opportunity, supported by proportionate checks and balances, will enhance efficiency and effectiveness.
Communication is intrinsically linked with corporate identity but as well as helping the organisation speak with a common and consistent voice, it is a key enabler right across the organisation in supporting service delivery.

Effective communication is critical in ensuring our people, the public and stakeholders get access to the information they need, both how and when they need it. It also supports effective engagement, helping us hear the voices of our customers, partners and people in order to enable us to deliver the right service in the right way and shape our organisation for the future.

We will protect and enhance the organisation’s corporate identity and reputation, and facilitate effective and proactive two-way communication, internally and externally.

**Key Enabling Activities**

In support of this portfolio we have already:

- Managed the transition to Police Scotland with approved branding and clear Purpose, Focus and Values;
- Established interim communications arrangements to bring the nine legacy communications teams together;
- Created the Police Scotland interim Intranet and website and launched corporate social media channels; and
- Established communications planning tools, shared with partners, to facilitate more co-ordinated communications planning.

Looking ahead, in support of this portfolio we will:

4.1. **Deliver a full restructuring of Corporate Communications and continue to improve the service we provide** - communication is an integral part of all of our services and historically the function was delivered in different ways and with a variety of different emphasis across the legacy force and agency structures. An interim arrangement for the Corporate Communications Function was put in place for April 2013, however there was clear disparity between roles and processes as well as an inability to electronically join up and manage service delivery.

An early review of the function was undertaken and proposals for a new structure have been developed. The function will deliver three areas of business: News, Internal Communications and Engagement. The new structure will be delivered by May 2014 and through this we will deliver a co-ordinated efficient service that will ensure a consistently high standard of communications support across the organisation as well as up-skilling staff to ensure a resilient service.

The new structure will also contribute to the cost reductions that will be realised under the Corporate Services Directorate. We will also deliver an ICT solution to ensure effective management of and access to communications information across the organisation, the cost of which will be offset against the savings realised through the restructure of the function.
4.2. Create a new model of external engagement and internal communications - the creation of a single police service offers the opportunity to create and deliver a new model of engagement. Policing in Scotland has a strong ethos of working in partnership with local communities and a range of public and private bodies, but we want to improve this further.

A national police service allows us to build co-ordinated engagement across a range of sectors to further our shared purpose of keeping people safe. We will develop and deliver a three-year strategic communications plan for the organisation that supports the identification and delivery of our policing priorities and maintains and builds on high levels of public confidence. Enabled by our restructured Corporate Communications department, as part of our approach we will invest in engaging directly with the public and our partners through a range of digital channels, identifying value for money methods that support our commitment to timely and transparent information. This communications approach will support and build upon our established relationships to drive stronger engagement with key partners and communities across the country.

A key facet of our communications plan will also be the development of tools and approaches to enable effective internal communications, recognising that this cannot and should not be the sole remit of communications specialists, but more that they will serve to enable effective communications throughout the organisation.

We will therefore review the technologies and communication channels available to support our officers and staff, and through our corporate communications plan, we will devise a programme of internal engagement that provides our officers and staff with the information that enables them to do their jobs.

4.3. Review how we engage with our people to improve how we support them through change - our people are at the heart of our success as a public service and while we have always endeavoured to communicate in a timely, relevant and transparent fashion, we recognise that we have not always achieved our intent. By undertaking this review we will identify the hurdles that have blocked us in the past and seek to shift our approach to ensure that we engage more effectively with our people through this period of change. Shifting our approach to be more up front in our engagement will not only benefit the individuals affected but will also benefit the organisation and ultimately support the delivery of the benefits of reform.
5. Physical Resources

By coming together as a single national service, we can now access benefits afforded by the management of our collective physical resources (procurement, estates and fleet) across Scotland.

Our assets are essential to support the effective delivery of our service and it is critical that we develop and manage them in a way that not only meets our operational requirements, but also offers Best Value for the organisation. To this end we recognise the value in promoting opportunities to work collaboratively with partners to allow us to be flexible and responsive to the needs of our communities, while making the best use of our collective resources in a manner that enhances public confidence and community safety.

We will fully consider the impact of proposals to transform our organisation and ensure that our approach is informed through engagement and consultation with our people, communities and partners. We will also seek to use our assets in a manner that is more responsible, ethical and sustainable in order to contribute to the improved wellbeing of our communities.

Key Enabling Activities

In support of this portfolio we have already:

- Implemented interim structures for Estates, Fleet and Procurement and developed proposals for future activity;
- Developed a detailed Assets Management Plan which has been approved by the SPA;
- Supported the delivery of legacy property projects including the Scottish Crime Campus at Gartcosh, the new custody building at Kittybrewster and new operational police offices at Fort William and Drumchapel;
- Received approval for a new police facility at Dalmarnock that will bring social, economic and environmental benefits to the area;
- Conducted a Public Counters review and have implemented proposals to change opening times or public access, enabling police services to be delivered to the community in other ways;
- Collated details of all legacy contractual agreements and consolidated them into a central procurement register to provide a national overview of our activities;
- Collated and analysed information on all supplier payments arising from existing legacy arrangements to provide greater visibility and improve our understanding of areas of spend which do not appear to form part of the identified contractual agreements; and
- Engaged with the National Association of Police Fleet Managers (NAPFM) to prepare the specification for police vehicle role requirements.

Looking ahead, in support of this portfolio we will:

5.1. Conduct a strategic rationalisation of our estates - in line with our Assets Management Plan we will review the condition, suitability and sufficiency of our buildings across Scotland with a view to integrating and rationalising our estate. This will allow us to ensure that our property is fit for purpose and that we have the right buildings in the right locations across the country. In addition we will realise opportunities to reduce our operating costs particularly where buildings are no longer fully utilised or are old and inefficient. As part of this work we will use our residential disposal and management programme to rationalise our residential estate.

Further we will make additional efficiency savings by reviewing leases and in turn developing a lease termination plan for properties that are no longer essential in support of operational business. Recognising the dynamic nature of policing, we will approach this whole process with a view to developing estates that are flexible to changing future demands.
In conducting this work we will also explore opportunities to progress a shared services agenda in pursuit of collaboration and Best Value. This will include an assessment of options for co-location with partners in local communities and other blue light services. In addition to accommodating locally-based officers, we will also continue to support and facilitate the modernisation of our interaction with the public across Scotland through the positioning and type of premises we develop. Our approach to rationalising our estates will also be cognisant of relevant Scottish Government policies, including policy approaches for rural areas and town centres.

We will conduct this review in-house and therefore the work will not involve additional cost. It is anticipated that the integration and rationalisation of our estate will realise significant cost reductions and better support our operational activities.

5.2. Conduct a strategic rationalisation of our fleet - we will conduct an examination of our fleet utilisation, which will present opportunities to optimise the size and use of our vehicle fleet whilst ensuring that it remains flexible and responsive to the dynamic nature of policing.

The identification of under-utilised vehicles requires to be evidenced-based. Proposals to run a pilot study to evaluate the application of evidence-based models will be developed. These will in turn inform our understanding of our future requirements and enable us to be more efficient and effective in the deployment and maintenance of our vehicles in support of operational delivery.

Specifically we will explore opportunities arising from the creation of Police Scotland to integrate and rationalise the fleet and to undertake manufacturer’s warranty servicing and maintenance activity in house. Collectively these developments will allow us to support the front line delivery of policing while also reducing costs and vehicle downtime.

We will conduct this review in-house and therefore the work will not involve additional costs. However we also plan to scope and procure a Fleet Management System, the cost of which will be offset against the savings realised through the rationalisation of our processes in this area. We can expect these to include recurring capital and revenue savings, which will be realised by a need to replace and service fewer vehicles annually.

Consequently, it is anticipated that the integration and rationalisation of our fleet will realise significant cost reductions and better support our operational activities.

5.3. Enhance our procurement approach - in line with our approach to the management and rationalisation of estates and fleet we will review our approach to procurement. Thereafter we will develop our capability and processes in order to ensure that we can realise the potential benefits and savings made possible by the creation of Police Scotland. We will ensure that all procurement contracts are subject to robust scrutiny in order to ensure that public funds are appropriately used. In addition we will seek to adopt faster routes to market to address identified provision gaps. This is likely to be achieved by using existing frameworks, direct awards and by aligning contract timelines with the transforming the service agenda.

Where appropriate, we will seek to rationalise our contracts in order to provide a more efficient, co-ordinated approach and to ensure that potential economies of scale are realised. Further, we will ensure that post-contract monitoring and management arrangements are implemented in order to ensure that fit for purpose services and goods continue to be delivered.

We will conduct this review and develop these processes in-house and therefore the work will not involve additional costs. It is anticipated that the development of procurement and post-contract monitoring and management arrangements will realise significant cost reductions and enable a number of the potential benefits of reform to be realised.
Corporate Strategy Principles, Business Benefits and Strategic Objectives

All of the activities contained within this plan are designed to contribute towards the five cross-cutting principles upon which our corporate strategy is based, the key business benefits that Police Scotland has identified in its benefits realisation plan and the Strategic Objectives that the Scottish Police Authority (SPA) has set out in its Strategic Police Plan.

The main business benefits that will be impacted upon by the activity outlined within this plan are:

- Better targeted investment;
- More efficient resource utilisation and reduced duplication of effort;
- Reduced operating costs;
- Greater consistency and quality of service delivery; and
- Improved collaborative working practices with partners.

The activities in this plan also make a direct contribution to the delivery of three specific SPA Strategic Objectives:

- Work in partnership to improve safety for the citizens of Scotland and reduce crime;
- Deliver the benefits of reform effectively and efficiently; and
- Promote a culture of excellence.

This plan will also enable the organisation to deliver upon its operational priorities (that are set out in the Annual, Local and Ward Police Plans), which in turn will contribute to the remaining four SPA Strategic Objectives.
The objective of this enabling plan is to clearly identify how our Organisational Support will support the delivery of the Corporate Strategy and outline the specific activities that will be undertaken prior to April 2016.

We recognise the need to evidence how these activities are supporting the organisation and we will work with the Scottish Police Authority to establish an agreed set of measures/indicators as part of the comprehensive exercise to develop our new performance framework. This planned activity is set out specifically within this strategic delivery plan.

We will track delivery of the enabling activities outlined in this plan as a means to assessing our progress in parallel to the development of the more specific metrics in the performance framework.
The timelines below provide a high level overview of the key enabling activities from this plan that have been undertaken to date in 2013-14 and will be undertaken during 2014-15 and 2015-16. It should be noted that whilst a number of the activities are already ongoing, others will extend beyond the timeframe of this strategy.

### Delivery Roadmap

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<td>Introduce wellbeing indicators into our performance framework</td>
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The timelines above highlight the key activities and milestones planned for the strategic plan, including:

- **Organisational development**
  - Articulate the purpose and focus of Police Scotland, supported by the values of Integrity, Fairness & Respect
  - Create Corporate Services Directorate
  - Support the development & implementation of a significant number of organisational restructuring projects
  - Established a benefits realisation plan & framework
  - Established a performance framework & management process

- **Analysis and Performance**
  - Developed Organisational Corporate Strategy
  - Implement Benefits Reporting Process
  - Introduce wellbeing indicators into our performance framework

The roadmap underscores the ongoing commitment to transforming the service, ensuring comprehensive planning and strategic development.
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<td>Implemented an ICT solution for managing communications info</td>
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**Not Protectively Marked**
Corporate Strategy 2014
Strategic Delivery Plan -
Our Finances
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- Appendix E2 – Our Financial Plan
- Appendix E3 – Development and Implementation of the Plan
- Appendix E4 – Revenue Budget 2014-16
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- Appendix E6 – Cost Reduction Plan 2014-16
- Appendix E7 – Assets and Liabilities
- Appendix E8 – Scenario Planning on Financial Position
Our Finances is one of a suite of interdependent Strategic Delivery Plans, which together underpin our overarching Corporate Strategy and describe how we will enable and support the organisation to improve the safety and wellbeing of people, places and communities in Scotland, with a focus on keeping people safe.

This particular plan articulates the role finance and investment will play in the delivery of the overall Corporate Strategy, over a three-year period, starting with activity we have already undertaken in 2013-14 and outlining the key enabling activities that will be our focus up to April 2016.

Our Finances also contains a number of appendices which detail our financial planning processes and our spending plans over the next two years, including both revenue expenditure (incurred on the day to day running of the organisation e.g. paying salaries or expenses) and capital expenditure (to acquire or improve our long-term assets e.g. buying new vehicles or buildings).

The other Strategic Delivery Plans – Our People; Our Technology; and Our Organisational Support – inform and integrate with this plan and, in turn, this plan informs and integrates with them. Figure E1 illustrates how all these enabling plans underpin the Corporate Strategy, and are aligned to the strategic and operational documentation that provides the framework within which Police Scotland operates.

The plans are also aligned to the five principles embedded in our Corporate Strategy, which bring a consistency to our corporate approach and direction, all of which has a robust financial underpinning.
Our Approach and Context

Our Finances has been informed by the overarching principles set out in our Corporate Strategy, and by using a process of consultation and engagement across the organisation to develop and refine our spending plans for the future.

We have worked with our budget holders (staff and officers in Police Scotland with responsibility for managing a budget) right across Scotland to gain a robust picture of our finances and the needs of the organisation going forward. We have used this knowledge and information to build our sustainable budget plans through to 2015-16. This process will also assist us in the development of further proposals to meet expected future budget challenges.

This plan has been developed in the context of reducing public sector budgets and the need for all public sector organisations across Scotland to look for efficiencies and new ways of undertaking their business to ensure that we can continue to provide a high quality public service and at the same time deliver upon the challenge of balancing our budget each year.

The Scottish Police Authority (SPA) needs to deliver assessed savings of £1.1bn between 2013 and 2026. This requires cost reductions of up to £68.2m to be realised in 2014-15 and a further £56.4m in 2015-16. The vast majority of these cost reductions will fall to Police Scotland to deliver.

Police Scotland and the SPA work very closely together in the delivery of our collective priorities and in the case of our finances, our complementary finance functions use that integrated approach to best effect to ensure that our financial plans are as robust as possible and deliver Best Value. Police Scotland provides specific support to the SPA by maintaining and running its financial systems and reporting mechanisms and provides the necessary financial information to enable the SPA to undertake its role effectively.

As an organisation, we have looked at the resources that are available to us, and working with the SPA we have undertaken an evidence based review of options that would enable us to transform the organisation to make it as efficient and effective as possible and at the same time facilitate the delivery of the required savings targets. The results of this review form the basis of the cost reduction plan (at Appendix E6) that Police Scotland will be delivering upon over the next two financial years and beyond. While our immediate focus is on managing our budget allocation and allocated cost reduction targets for the next two years, we are also actively planning how we will meet the continuing and significant financial challenges that exist beyond the period that this Corporate Strategy covers.

We have structured our approach to finance and investment around five key themes, to facilitate and enable the delivery of our organisational priorities.

The five themes that we have identified are:

1. Centre of Expertise – providing professional advice, guidance and support;
2. Engagement with organisational budget holders and stakeholders to obtain a clear understanding of the needs of the business;
3. Supporting the organisation in the delivery of savings;
4. Accessible systems and processes; and
5. Integrate financial planning and budget cycle into daily business.

Each of these themes is outlined in greater detail in the following section.
1. Centre of Expertise - providing professional advice, guidance and support

Our finance function will operate as a centre of expertise in the provision of professional advice, guidance and support for the organisation and the Scottish Police Authority in the delivery of our organisational aims. We want to take a proactive approach to finance that ensures that the organisation fully understands the financial environment (availability of resources) and context (the financial rules that apply to Police Scotland as a public body) that we are operating within.

Steps are now being taken to implement a new, permanent staffing structure for our finance function, located across the country that is specifically designed to support and enable the organisation in delivering its operational and organisational priorities. This new structure will allow us to assist the organisation in exploring possibilities for partnering and sharing services and we will also work with colleagues to harness potential income generation opportunities. Finance will be a supportive and enabling function.

Key Enabling Activities

In support of this theme we have already:

- Implemented an interim finance structure, with key interim finance posts being established;
- Trained all finance staff on the new financial ledger and reporting systems to ensure that relevant management information was available from April 2013; and
- Delivered an initial programme of internal financial management training to senior police officers and staff.

Looking ahead, in support of this theme we will:

1. Implement a new Finance Department structure – we will implement a new structure, based right across Scotland that will provide a comprehensive finance service by autumn 2014. This structure has been designed to meet the needs of Police Scotland and the Scottish Police Authority, specifically in terms of statutory and governance requirements; the provision of professional advice; the provision of timely and meaningful financial management information; and the provision of valuable staff and career development opportunities. The implementation of this new structure is expected to create a smaller overall finance function and as a result savings will be achieved from reduced operating costs.

1. Commence a regular cycle of engagement across the organisation to explore potential opportunities for income generation, partnership working and sharing services – our finance function will support colleagues across the organisation in exploring opportunities and developing proposals to maximise potential income generation from the wider use of our facilities and expertise. We will also examine ways in which we can work in partnership with, and develop proposals for sharing services with, external organisations. As part of this approach we will consider potential opportunities for preventative spend and also check the alignment of proposed expenditure to national and local priorities. This engagement has already commenced, but will be formalised by the end of autumn 2014. This approach will contribute towards a number of important business benefits which will include: more efficient resource utilisation; potential to reduce our operating costs; provide opportunities for greater consistency and quality of service delivery; and improved collaborative working with partners.
1.3. Design and deliver a programme of training across the organisation to outline the financial environment and operational context that Police Scotland are working in – the financial environment and framework that Police Scotland are operating within is new to the whole organisation, having previously operated in a local authority finance environment. We are therefore revising the current training input for key individuals and leaders across Police Scotland to ensure that there is a broad understanding and recognition of the context and environment that we now work within. This initial focused programme of training will start to be delivered from Q2 of 2014-15 and will continue as part of our ongoing Senior Leadership Training Programme.
2. Engagement with organisational budget holders and stakeholders to obtain a clear understanding of the needs of the business

As a newly formed organisation we have been focusing on developing a clear and comprehensive picture of how the budgets and financial approaches of the component parts of Police Scotland fit together. We now need to shift that focus to ensure that there is regular and ongoing engagement between our finance function and the rest of the organisation and between our finance function and key external stakeholders (including the Scottish Government, Scottish Police Authority and other local and national partners).

It is imperative that the organisation has a clear picture of its financial requirements both in terms of current needs and also known (or emerging) future needs and priorities. Early work has been undertaken to build our financial picture across the organisation and through our planned engagement approach we will enhance our understanding of those needs and requirements, to ensure that we can take an integrated approach to planning for them.

The creation of a Corporate Finance & Investment Board within Police Scotland – a single portal for the consideration of all finance and investment proposals – will mark an important first step towards fulfilling this requirement.

Key Enabling Activities

In support of this theme we have already:

- Completed a process to identify and map budget holder responsibility across the organisation/country;
- Structured a new financial ledger to meet the organisation’s needs and developed the quality of our financial management reporting to key stakeholders; and
- Implemented and maintained an effective internal financial governance approach as a key enabler in our budget management process.

Looking ahead, in support of this theme we will:

2.1 Create a Corporate Finance & Investment Board – we will establish a new Board within Police Scotland by the end of April 2014, to act as the central point through which all finance and investment proposals will be considered, challenged and assessed. The Board will be our “point of focus” for the ongoing monitoring of organisational financial performance against our budgets and will track and monitor our cost reduction targets. This Board will also develop an options appraisal process to enable effective prioritisation and identification of new capital projects. While there are no direct financial costs or savings associated with this activity it will provide other benefits. These include ensuring that we have a clear picture of our organisational investment needs and funding sources; that our ongoing capital investment and expenditure is being effectively targeted and monitored; that the delivery of our cost reduction targets is being adequately progressed; and that our existing assets are being used efficiently and effectively.

2.2 Implement a programme of planned and ongoing engagement between finance and budget holders – we will undertake a process of proactive engagement with our budget holders across the organisation to ensure that we fully understand the financial requirements of all aspects of Police Scotland and work with colleagues to help build their financial knowledge and understanding. This engagement approach has already commenced and will be ongoing for the duration of the period that this plan covers.
3. Supporting the organisation in the delivery of savings

The creation of Police Scotland has provided the opportunity to rethink the way that we do policing in Scotland. As a large, national organisation, we are able to undertake our business in ways that maintain or improve effectiveness and at the same time are more efficient – for example in looking for opportunities to rationalise existing procurement arrangements.

One area of focus for the organisation is on the delivery of annual savings targets that have been set by the Scottish Government. We will provide strategic support to colleagues across the organisation in the development of proposals to transform the way that we do our business and, through an evidence based process, will provide a co-ordinated corporate overview of the contributions towards the annual savings targets. We will also challenge, track, monitor and assure the delivery of those annual savings targets and regularly present progress to our key internal and external stakeholders, including the Scottish Police Authority and the Scottish Government.

Key Enabling Activities

In support of this theme we have already:

- Supported Police Scotland’s Senior Management Team to develop a cost reduction plan for 2013-14 and 2014-15;
- Successfully contributed to the delivery of the 2013-14 cost reduction plan and are engaged in the development of future cost reduction plans for 2014-15 and 2015-16; and
- Developed a suite of reports for our Senior Management and the Scottish Police Authority, which has aided financial management and assisted with decision making.

Looking ahead, in support of this theme we will:

3.1 Develop a plan with proposals to obtain maximum value from the use of the Scottish Government’s Police Reform Budget – we will produce a plan that proposes a range of potential uses for the available resources in the police Reform Budget. This plan will assess where this money can be most effectively deployed over the next two years to facilitate organisational change proposals and contribute towards the ongoing organisational cost reduction targets. The proposals for 2014-15 will be developed by 1 April 2014, in consultation with the Scottish Police Authority, and will be submitted to the Scottish Government for their consideration and approval. Proposals for 2015-16 will be developed by 1 April 2015.

3.2 Refine and extend the Police Scotland cost reduction plan to cover the period beyond 2015-16 – work has already been undertaken to set out how Police Scotland will deliver upon its savings targets through to the end of 2015-16. We will check, refine and update the cost reduction plan for 2014-2016 over the course of the next two years to ensure that it continues to be as accurate and deliverable as possible. We will also embark on a piece of work to assess the options for delivering the required levels of savings beyond 2015-16. This work will have to be based on a number of assumptions due to the financial position and budget allocations beyond 2015-16 being uncertain at this time, but we recognise as an organisation the importance of being proactive and planning ahead to ensure that we are well placed to balance our budgets over the medium term. This process will begin in autumn 2014 and will conclude with the publication of an extended cost reduction plan to coincide with the publication of the next iteration of our corporate strategy in 2015-16.

3.3 Continue the process of regular and ongoing engagement with budget holders to track delivery of savings – the organisational cost reduction plan sets out the expected savings that we will achieve from a range of projects and proposals. In order to ensure that those proposals are being effectively progressed and implemented we will continue our cycle of monthly engagement with budget holder to discuss performance against the delivery of planned cost reduction targets and identify corrective action where necessary to ensure that we continue to operate within our allocated budget. Our newly formed Corporate Finance & Investment Board will provide the overarching governance mechanism to monitor delivery of our cost reductions. We will also be formally reporting progress against these savings targets to Police Scotland Senior Management Team, the Scottish Police Authority and the Scottish Government.
Police Scotland currently operates with a single financial ledger across the whole organisation. This ensures that we can quickly and effectively analyse and interrogate financial information about any aspect of the organisation. Being able to access key information is crucial to understanding the way that Police Scotland is operating.

We now want to take the integration of our core systems further and will be taking forward a significant project to consolidate and integrate our HR and Finance information management systems (including pensions and payroll). This work will provide benefits to all of our people, who will have access to an effective, integrated HR and Finance system.

In addition we will rationalise our processes to make our systems more efficient and responsive to the needs of the organisation.

Key Enabling Activities

In support of this theme we have already:

- Implemented a single financial ledger for Police Scotland, which was in place from 1 April 2013; and
- Implemented a single Exchequer Services facility for Police Scotland, which was in place from 1 April 2013.

Looking ahead, in support of this theme we will:

4.1. Undertake a project to rationalise our 8 existing payroll systems – as an organisation we are currently administering our payroll through 8 legacy payroll systems (these systems are a mixture of Police Scotland, local authority run and outsourced systems). This approach does not represent a sustainable or efficient way of managing our payroll and we are therefore embarking on a project to consolidate these 8 payroll systems down into a much simpler, more efficient and more manageable number of systems.

The current arrangements with local authorities for administering our payroll (covering 6 of the 8 legacy systems) in certain areas of Scotland are due to come to an end in March 2015. This initial phase of work is currently being scoped and will be completed by the end of 2014-15. The completion of this project will facilitate and be an enabler for other key work streams, such as the consolidation and integration of our Finance and HR systems and is expected to deliver a significant annual cost saving.

4.2. Procure a new single Finance and HR information management system – following the completion of the work to rationalise the number of payroll systems, we will then commence a linked project to implement a new integrated Finance and HR information management system to support the management of resource (including HR, Duty Management and Payroll) across the organisation. The initial scoping work for this significant project will commence in early 2014-15, with the expectation that the procurement of the system will take place from 2015-16. It is expected that following the implementation of this system, we will realise significant organisational efficiencies, both in terms of cashable and non-cashable savings. The scoping exercise that will be undertaken in 2014-15 will develop these aspects of the proposal to provide firm estimates of likely efficiencies.

4.3. Participate in a project related to the future administration of Police Pensions – in a similar way to payroll, the administration and payment of pensions for police officers is currently managed by a mixture of local authorities and by Police Scotland. From April 2015, this arrangement will change and the Scottish Public Pensions Agency (SPPA) will become the single administrator of police pensions. Police Scotland will participate in a, SPPA led, project that will deliver a solution that provides an effective service and demonstrates maximum cost effectiveness, while working collaboratively with our partners at the SPPA. This project has recently commenced and will be completed by March 2015.
5. Integrate financial planning and budget cycle into daily business

We are already integrating our financial planning process into the organisational corporate planning cycle to ensure that our spending plans are fully informed by the range of key interdependent plans and strategies for Police Scotland.

We also need to go further and ensure that the financial planning process and budget cycle are integrated into the organisation’s approach to its daily business delivery.

We will demonstrate a proactive approach in this area and undertake an initial process of engagement across the organisation and implement a regular cycle of meetings and engagement thereafter.

Key Enabling Activities

In support of this theme we will:

5.1. Undertake a process of engagement with both internal and external stakeholders to ensure that all future financial requirements are adequately captured in our corporate and financial planning processes – as an integral part of our financial and corporate planning processes we will include a process of engagement with our budget holders across the country. This process is designed to maximise the visibility of the financial requirements of the organisation and that these requirements are being assessed and built into our corporate plan and annual budget setting process. This engagement will take place on an annual basis and will form part of the “Needs Assessment” phase of our financial planning process, which will take place in late summer each year. This work will ensure that the financial, corporate and operational plans that we develop as an organisation are as integrated and robust as they can be and are fully aligned to the delivery of our organisational purpose and priorities.

5.2. Develop a medium term capital investment plan (with a 5-7 year focus) setting out our levels of anticipated investment – at present our capital plan sets out our planned investment until 2015-16, but we have now begun a process to develop a longer term capital plan that will aim to set out our proposed capital investment priorities over the medium term (next 5-7 years). This planned investment will be a key enabler for a wide range of projects and activities that Police Scotland is seeking to progress over the next few years. It is inevitable that there will be more investment proposals than there are available resources, which makes the planning process to prioritise those investments and the build a sustainable and affordable medium term capital plan extremely important. This work will be overseen by the proposed Corporate Finance & Investment Board and will be undertaken in close consultation with key stakeholders including the Scottish Police Authority and the Scottish Government. We expect to have completed this work by the end of 2014-15, at which point we will take the draft plan to the Scottish Police Authority Board for their consideration.
Corporate Strategy Principles, Business Benefits and Strategic Objectives

All of the activities contained within this plan are designed to contribute towards the five cross-cutting principles upon which our corporate strategy is based, the key business benefits that Police Scotland has identified in its benefits realisation plan and the Strategic Objectives that the Scottish Police Authority (SPA) has set out in its Strategic Police Plan.

The main business benefits that will be impacted upon by the activity outlined within this plan are:

- Better targeted investment;
- More efficient resource utilisation and reduced duplication of effort;
- Reduced operating costs;
- Greater consistency and quality of service delivery; and
- Improved collaborative working practices with partners.

The activities in this plan also make a direct contribution to the delivery of three specific SPA Strategic Objectives:

- Work in partnership to improve safety for the citizens of Scotland and reduce crime;
- Deliver the benefits of reform effectively and efficiently; and
- Promote a culture of excellence.

This plan will also enable the organisation to deliver upon its operational priorities (that are set out in the Annual, Local and Ward Police Plans), which in turn will contribute to the remaining four SPA Strategic Objectives.
Measuring Success

The objective of this enabling plan for finance and investment is to clearly identify how our approach to finance will support the delivery of the corporate strategy and outline the specific activities that will be undertaken prior to April 2016.

We recognise the need to evidence how these activities are supporting the organisation and we will work with the Scottish Police Authority to establish an agreed set of measures/indicators as part of the comprehensive exercise to develop our new performance framework. This planned activity, is set out in Our Organisational Support strategic delivery plan and in the overarching corporate strategy.

We will track delivery of the enabling activities outlined in this plan as a means to assessing our progress in parallel to the development of the more specific metrics in the performance framework.
The timelines below provide a high level overview of the key enabling activities from this plan that have been undertaken to date in 2013-14 and will be undertaken during 2014-15 and 2015-16. It should be noted that whilst a number of the activities are already ongoing, others will extend beyond the timeframe of this strategy.

### Delivery Roadmap

<table>
<thead>
<tr>
<th>Centre of Expertise - Providing Professional Advice, Guidance &amp; Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Initial programme of finance training for senior police officers and staff</td>
</tr>
<tr>
<td>Revise the design of training on the Police Scotland financial environment/operational context</td>
</tr>
<tr>
<td>Training on Police Scotland financial environment/operational context delivered through Senior Leadership Training Programme</td>
</tr>
<tr>
<td>Formalise engagement process with staff to explore opportunities for income generation, partnership working &amp; sharing services</td>
</tr>
<tr>
<td>Ongoing engagement process with staff to explore opportunities for income generation, partnership working &amp; sharing services</td>
</tr>
<tr>
<td>Implement a permanent Finance Department structure</td>
</tr>
<tr>
<td>Interim finance structure implemented</td>
</tr>
<tr>
<td>Engage with Organisational Budget Holders and Stakeholders</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Creation of a Corporate Finance &amp; Investment Board</td>
</tr>
<tr>
<td>Ongoing cycle of Board meetings to track, monitor and assess finance proposals and progress</td>
</tr>
<tr>
<td>Programme of ongoing engagement between Finance &amp; budget holders to fully understand the organisation’s financial requirements</td>
</tr>
<tr>
<td>Financial governance approach implemented</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td><strong>Supporting the Organisation (in the delivery of savings)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Develop a plan to obtain maximum value from the use of the 2014-15 Scottish Government Police Reform Budget</td>
</tr>
<tr>
<td>Ongoing (monthly) engagement with budget holders to track the delivery of savings</td>
</tr>
<tr>
<td>Continual review and updating of existing Cost Reduction Plan</td>
</tr>
<tr>
<td>Develop a Cost Reduction Plan for period beyond 2015-16</td>
</tr>
<tr>
<td><strong>Accessible Systems &amp; Processes</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Rationalise the 8 existing payroll systems</td>
</tr>
<tr>
<td>Single financial ledger implemented</td>
</tr>
<tr>
<td>Scope and procure a new single Finance &amp; HR information management system</td>
</tr>
<tr>
<td>Single Exchequer Services facility implemented</td>
</tr>
<tr>
<td>Police officer pensions administration project</td>
</tr>
<tr>
<td><strong>Integrate Financial Planning &amp; Budget Cycle (into daily business)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Engagement process to capture future financial requirements</td>
</tr>
<tr>
<td>Development of a medium term (5-7 year) capital plan</td>
</tr>
<tr>
<td>Engagement process to capture future financial requirements</td>
</tr>
</tbody>
</table>
Corporate Strategy 2014
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The Police Scotland financial planning framework is being integrated into our overall corporate planning cycle. This makes sure that all of our spending proposals are informed by our range of key, interdependent, enabling plans.

The financial planning process figure E2 ensures that we have a targeted approach to our allocation of resources against each function, operational area or business area over the next two years. This planning process is fully integrated and part of the wider financial planning process that the Scottish Police Authority (SPA) and Police Scotland jointly follow to determine the needs and budget requirements of each organisation. These two processes are complementary and come together each year as part of the “needs assessment” phase of the planning process and are then developed together through until the final budget is approved in March. There is also ongoing and regular dialogue between Police Scotland and the SPA throughout the year as budgets are being set and reviewed.

Our Capital Investment Plan for 2014-2016 (at Appendix E5), sets out the outline proposals for the projects that we plan to take forward in the next two years and the sources of funding for those projects. It is our intention to produce a medium term capital plan that covers the next 5-7 years, which will need to be built on a number of assumptions due to the uncertainty of budget allocations beyond 2015-16.

Monitoring our Financial Plans

During the course of the year, the organisation undertakes a monthly monitoring exercise to capture progress with the capital programme and use of revenue budgets. This process ensures that individual budget holders across the organisation are properly held to account for the appropriate use of the budgets that they have responsibility for and this information is then presented to:

- Budget Holders;
- Senior Management;
- Police Scotland;
- Scottish Police Authority; and
- Scottish Government.
This monitoring information is also used as part of our financial planning approach to inform future year budget allocations.

Individual budget holders are expected to manage any variances from their planned expenditure and this progress is monitored corporately to ensure that the budget is being utilised effectively and to enable opportunities for the reallocation of resources to emerging priorities or pressures in the course of the year. Our proposed Corporate Finance & Investment Board, who will meet on a regular basis, will undertake this corporate governance role, including the oversight of both our organisational performance against budget and our progress in delivering our cost reduction targets.

In addition to the monitoring above, Police Scotland also provides a regular report to the SPA Finance & Investment Committee on any “in-year” reallocations of Police Scotland budgets between budget headings (working within the agreed parameters set out in the SPA Scheme of Administration).

It is proposed that our capital programme will also be managed by the Corporate Finance & Investment Board, which will have responsibility for the development of the capital plan including management of the existing asset base and subsequent monitoring progress of the delivery of the capital plan. Specifically the Board will be tasked with ensuring that:

- key milestones are being achieved on capital projects;
- that the expected benefits from projects are being realised;
- sources of funding for projects are being identified;
- current assets are being used efficiently and effectively; and
- the capital plan continues to develop over the medium term to capture new priorities and projects that are aligned to the direction that is set out in our corporate strategy.

### Reporting Our Financial Performance

We appreciate that understanding financial information can be complex.

Every year we have a statutory obligation to report our financial performance in the Scottish Police Authority Annual Report and Accounts and although much of the content and format of the accounts follows a relatively rigid format, we are also looking for opportunities to make the information simpler and more straightforward to understand.

The Scottish Police Authority (SPA) has a statutory obligation to hold the Chief Constable to account for the policing of Scotland - which includes holding Police Scotland to account for the effective use of the financial resources that the Authority allocates to Police Scotland each year. The Accountable Officer (Chief Executive) for the SPA is then accountable to the Scottish Parliament, has a personal responsibility for ensuring the propriety and regularity of the public finances for the SPA (and by extension Police Scotland) and ensuring that these resources are used economically, efficiently and effectively.

In our approach to fulfilling these requirements, Police Scotland works very closely with the Authority (Board Members, Chief Executive, Finance Director and relevant SPA Committees); has implemented and operates robust financial processes, systems and frameworks; and we provide the SPA with regular monitoring reports on how we are managing our finances - both through its Finance & Investment Committee and at its full public Board meetings. The Police Scotland financial reports and accompanying papers that are considered at these Committee sessions and public Board meetings are published on the Scottish Police Authority website.

We also provide monthly returns to the Scottish Government on our cash forecasting for the coming month (to ensure that our drawdown of cash matches our actual monthly financial requirements) and our spend against budget for the previous month.
Police Scotland is also subject to external inspection and scrutiny from Audit Scotland and from HM Inspectors of Constabulary in Scotland. Audit Scotland will audit the Scottish Police Authority’s Annual Report and Accounts (which include Police Scotland’s expenditure information) and will also undertake separate performance audits of policing related programmes and activity. HM Inspectors of Constabulary in Scotland have a statutory duty that requires them to make inquiries about the state, efficiency and effectiveness of the SPA and Police Scotland and to examine the arrangements made by the Chief Constable that are designed to secure Best Value for the police service.

Key Assumptions and Risks

We have made a number of assumptions, in the construction of our financial plans for the next two years.

Key Assumptions

- Budgets will be allocated for future years at the indicative levels set out in the Scottish Government’s Draft Budget 2014-15.
- External funding sources will continue during 2014-16 (unless otherwise indicated).
- Scottish Government continues commitment to maintain 17,234 Police Officers.
- Agreement to public sector pay policy including commitment to no compulsory redundancies (which includes an assumption of pay inflation being 1%).
- Non-pay inflation will be 2% for the period that this plan covers.
- The organisation absorbs the impact of increment costs and inflation including statutory changes e.g. pension changes planned for April 2015 and national insurance impact.
- Expectation that cost reduction proposals must be delivered in identified years and not slip into future years (negative impact on recurring savings).
- Retention of capital receipts generated from the sale of surplus assets.
- Working within central government finance framework (e.g. which does not permit the use of reserves), which requires in-year budgets to be balanced.
- Other than inflation there are no additional pressures in respect of the Scottish Police Authority and Forensics Service.
- Financial assessment of legislative changes.

Key Risks

- Political uncertainty in medium term (e.g. referendum; local and national elections in 2016; impact of next UK spending round on Scottish Budget).
- Assumptions within future public sector pay policy are not aligned to budgetary plans.
- Delays to rationalisation of the workforce through VR/ER and modernisation of current terms and conditions.
- Implications of self-insurance.

It is essential that the accuracy of these important assumptions is closely monitored. Our Senior Management Team will oversee the ongoing delivery of this plan and we will also report regular progress to the Scottish Police Authority (via its public Board meetings) and to the Scottish Government (through its monthly budget monitoring and cash forecasting process). The assumptions above will be checked on a regular basis and the plan adjusted to take account of any significant changes to these assumptions.

We acknowledge that due to the risks emerging from operating in an environment of reducing resources, unpredictable demands and high expectations on the organisation to balance its budget each year, strong and effective budget processes are essential. To further support the corporate role in this regard, we will deliver further training inputs across the organisation to build upon our budget holders’ financial management capability.
Appendix E2 – Our Financial Plan

Our financial plan aims to make the maximum use of the resources that are available to Police Scotland, while ensuring that these resources are targeted at activities that support the priorities of the organisation. A detailed table setting out the revenue budget requirement up until 2015-16 is shown at Appendix E4 (broken down by budget building blocks) and our capital plans for the same period appear at Appendix E5.

Identification and Delivery of Cost Reductions

In order to balance the budget, we have identified a range of proposals designed to deliver the cost reductions required – these are shown at Appendix E6.

We have an ongoing process to identify areas where we can operate more effectively and realise efficiencies, through for example, redesign of functions, changing the way that we do our business or consolidation of processes, functions and assets. This approach is managed through a combination of our financial governance process (chaired by the Chief Constable) and the Scottish Police Authority Finance & Investment Committee.

This process identifies and assesses projects and proposals against a range of principles to ensure that (as far as possible) they meet with the priorities and direction of the organisation; are aligned to the wider Scottish public sector; are deliverable; and represent improved value for money.

The total net savings that are expected to be delivered through the police reform process are £1.1billion by 2026. The savings that are expected to be delivered through the police reform process over the next two years are £46million (in 2014-15) and a further £21million (in 2015-16). The recurring element of the savings delivered to date will exceed the expected level of reform savings by 2026 (see diagram).

In addition to the police reform savings, due to further cost pressures – in particular the impact of wage inflation – further additional cost reductions are also required and this information (for 2014-15 and 2015-16) is set out in Appendix E6. This detailed list of cost reduction proposals assesses the risk of delivery against each proposal and also the timescales for delivery of each proposal. Key areas of focus for the cost reduction proposals include:

- Reorganisation of divisions and departments staff structure;
- Reduced overtime costs by changing Police Officer public holidays;
- Review of estates including exiting leased properties; and
- Contract rationalisation.
The Forecast Revenue Position

The Scottish Police Authority’s draft revenue funding allocation is provided by the Scottish Government. Police Scotland’s revenue budget is then allocated from the overall budget allocation that the SPA receives and the projected Police Scotland revenue funding for 2014-16 is summarised in the table below.

Table E1 – Forecast Revenue Plan 2014-2016

<table>
<thead>
<tr>
<th></th>
<th>2014-15 Budget £000s</th>
<th>2015-16 Plans £000s</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (Cash) DEL</td>
<td>1,016,000</td>
<td>994,400</td>
<td>1</td>
</tr>
<tr>
<td>Ring Fenced (Non-Cash) DEL</td>
<td>41,400</td>
<td>50,000</td>
<td>2</td>
</tr>
<tr>
<td>Total Revenue DEL</td>
<td>1,057,400</td>
<td>1,044,400</td>
<td></td>
</tr>
<tr>
<td>Expenditure classes as AME</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Expenditure classed as ODEL</td>
<td>5,812</td>
<td>5,812</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL REVENUE FUNDING</td>
<td>1,063,212</td>
<td>1,050,212</td>
<td></td>
</tr>
</tbody>
</table>

Notes

1. DEL is the “Departmental Expenditure Limit”, which is agreed for a three year period in each spending review and covers the majority of routine Government spending. It is divided into “Resource” DEL, which is essentially running costs and “Capital” DEL which, as its name suggests, covers capital spending. The SPA can move funding from Resource DEL to Capital DEL (with Scottish Government’s approval) but not from Capital DEL to Resource DEL.

2. Ring-fenced, non-cash DEL includes depreciation, impairments and provisions; in effect, the major accruals one would see in a private sector set of accounts. These are ring-fenced; if actual depreciation, etc is greater than the budget set then the shortfall has to be met from Resource DEL. If, on the other hand, actual depreciation is lower than the budget set, any surplus cannot be transferred to another budget line.

3. AME is “Annually Managed Expenditure” and is generally agreed only for the year ahead, as it is for expenditure which by its nature is more volatile; a typical example might be welfare payments. For SPA, the figure will be an accounting adjustment to reflect the change in the notional value of the police staff pension fund.

4. Expenditure outside DEL (ODEL) is unusual and is a treatment agreed by HM Treasury to cover loan charge support for pre 2004-05 borrowing by Councils.
The following diagram provides an analysis of the projected 2014-15 net revenue budget by expenditure type, highlighting that the majority of organisation expenditure relates to staff costs.

Figure E4 – Analysis of Revenue Budget (based on 2014-15 budget allocation)

This financial plan will be subject to review throughout the course of 2014-15, with:

- actions being developed to mitigate any in year variances from plans;
- work undertaken to continue to assess the robustness of figures for future years; and
- further work to develop proposals for cost reductions beyond 2015-16.

Police Reform Budget

In addition to the grant funding that the Scottish Police Authority receives from the Scottish Government, there is also a ring-fenced allocation of additional money that the Scottish Government holds. This funding is designed to meet the costs arising out of the reform process, with a particular focus on generating ongoing savings. These resources were available and accessed by Police Scotland in 2012-13 and 2013-14 and additional funding is available for 2014-15 and 2015-16 (up to £70 million in each year).

Police Scotland will be submitting proposals to the Scottish Government for the use of this money to facilitate and enable the consolidation and transformational work that we are undertaking as an organisation.

Our Capital Investment

Our capital investment plans are funded from a range of different internal and external sources. The total capital funding for the next two years consists of four main funding streams:

1. Scottish Government capital allocation (£25.2m/£28.6m) – this is the annual allocation from Scottish Government and is available for investment in new schemes or to top up specific allocations for existing schemes.

2. Funding for completion of Legacy Commitments (£1.0m/£0m) – this represents funding that has been set aside in the final accounts of the former Police Boards for completion of capital schemes in progress at 31 March 2013.

3. Access to the Scottish Government Police Reform Budget (£10.0m/£5.0m) – this will be utilised to fund the major ICT schemes although this may not be necessary if current estimated costs are revised downwards; and

4. Capital Income from Asset Disposals (£8.9m/£6.4m) – there are two elements to this, proceeds of vehicle sales (£2.0m/£1.4m) which would be re-invested in vehicle replacements. This is a conservative assumption and Scottish Government has confirmed that vehicle sales proceeds are available for reinvestment. The second element represents the value of capital receipts from property disposals (£6.9m/£5.0m). It should however be noted that Scottish Government approval will be required to retain these receipts.

A summary of the capital funding and spending plans appears in Table E2 (over) and a more detailed table of our capital investment plans appears at Appendix E5.
Table E2 – Capital Investment and Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>2014-15 £000s</th>
<th>2015-16 £000s</th>
<th>Total £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Government Capital Grant</td>
<td>25,200</td>
<td>28,600</td>
<td>53,800</td>
</tr>
<tr>
<td>Capital Receipts: Property Vehicles</td>
<td>6,940</td>
<td>5,000</td>
<td>11,940</td>
</tr>
<tr>
<td></td>
<td>1,980</td>
<td>1,400</td>
<td>3,380</td>
</tr>
<tr>
<td>Funding from Legacy Schemes</td>
<td>1,040</td>
<td>0</td>
<td>1,040</td>
</tr>
<tr>
<td>Allocation from Police Reform Budget</td>
<td>10,000</td>
<td>5,000</td>
<td>15,000</td>
</tr>
<tr>
<td>TOTAL CAPITAL FUNDING</td>
<td>45,160</td>
<td>40,000</td>
<td>85,160</td>
</tr>
<tr>
<td>Planned Capital Investment</td>
<td>45,160</td>
<td>40,000</td>
<td>85,160</td>
</tr>
<tr>
<td>Surplus / (Shortfall)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Revenue Considerations of Capital Investment

One of the consequences of capital investment is that there is often an associated additional revenue cost. The major schemes in our capital plan already have developed business cases, which in the case of i6 and the Dalmarnock development demonstrate that the proposed investment will yield significant recurring savings - although in the short term non-recurring funding cover will be required until existing ICT systems are phased out and properties are vacated. Other areas such as fleet replacement and estates schemes will be funded from existing operational budgets as this investment replaces or maintains existing assets where budgets are already available.

It should be noted that projected savings from individual capital projects will be factored into revenue budgets going forward.

Prioritisation and Affordability

Police Scotland will be developing a revised options appraisal process for the prioritisation and identification of new capital projects. This process will require a full business case to be prepared for all proposals with a projected investment of over £200,000, which will then be considered by the Corporate Finance & Investment Board (once it has been established).
Appendix E3 – Development and Implementation of the Plan

Our financial plan has been prepared based on a range of assumptions (see appendix E1) and a variety of factors in Police Scotland’s internal and external environment that will influence the accuracy of these plans. It is therefore very important that the plan is monitored, reviewed and updated in light of these factors.

The existing annual financial cycle that Police Scotland follow will accommodate this requirement. The diagram below sets out the annual financial cycle that the Scottish Police Authority and Police Scotland follow each year.

Figure E5 – Police Scotland Annual Financial Planning Cycle

Scottish Government lays spending plans in the Scottish Parliament (Budget Bill) - by 20 January
Scottish Parliament debates and approves Budget Bill - by 14 February
Final SPA budget allocation confirmed by Scottish Government - February
SPA scrutiny & integration of Police Scotland budget and cost reduction proposals - January to March
Final SPA approval of budget/cost reduction plans - March
Monthly budget monitoring of Police Scotland & SPA current year budget

Scottish Parliament scrutiny of Scottish Government Draft Budget – September to December
Scottish Parliament Finance Committee publishes their report on the Draft Budget which - December
Identification of Police Scotland and SPA assessed budget requirement, budget gap and proposals to bridge the gap – September to January
Regular meetings between finance staff & budget holders
Monthly budget monitoring of Police Scotland & SPA current year budget

Scottish Government develops spending plans for the forthcoming year which will become the Draft Budget – July to September
Scottish Government publishes Draft Budget & spending plans – by 20 September
Police Scotland and SPA Budget Needs Assessment Process – late summer
Regular meetings between finance staff & budget holders
Monthly budget monitoring of Police Scotland & SPA current year budget

Scottish Parliament scrutiny of Scottish Government Draft Budget – September to December
Scottish Parliament Finance Committee publishes their report on the Draft Budget which - December
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Police Scotland and SPA Budget Needs Assessment Process – late summer
Regular meetings between finance staff & budget holders
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Scottish Parliament debates and approves Budget Bill - by 14 February
Final SPA budget allocation confirmed by Scottish Government - February
SPA scrutiny & integration of Police Scotland budget and cost reduction proposals - January to March
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Final SPA budget allocation confirmed by Scottish Government - February
SPA scrutiny & integration of Police Scotland budget and cost reduction proposals - January to March
Final SPA approval of budget/cost reduction plans - March
Monthly budget monitoring of Police Scotland & SPA current year budget
## Appendix E4 – Revenue Budget 2013-16

<table>
<thead>
<tr>
<th></th>
<th>2013-14 £000s</th>
<th>2014-15 £000s</th>
<th>2015-16 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Revenue Budget</td>
<td>1,110,014</td>
<td>1,056,928</td>
<td>1,084,219</td>
</tr>
<tr>
<td>Less recurring prior year savings</td>
<td>-</td>
<td>-</td>
<td>(56,485)</td>
</tr>
<tr>
<td><strong>Net Revenue Baseline Budget</strong></td>
<td>1,110,014</td>
<td>1,056,928</td>
<td>1,027,734</td>
</tr>
<tr>
<td>Add Revenue Cost Pressures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay and Pensions Inflation</td>
<td></td>
<td>18,097</td>
<td>15,473</td>
</tr>
<tr>
<td>Non-Pay Inflation</td>
<td>2,995</td>
<td>2,071</td>
<td>739</td>
</tr>
<tr>
<td>Legislative Issues - Criminal Justice Bill</td>
<td>0</td>
<td>739</td>
<td></td>
</tr>
<tr>
<td>Additional Ill Health Retirals</td>
<td>2,057</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Other Developments</td>
<td>16,301</td>
<td>4,143</td>
<td>4,738</td>
</tr>
<tr>
<td><strong>Total Revenue Costs Pressures</strong></td>
<td>16,301</td>
<td>27,292</td>
<td>23,021</td>
</tr>
<tr>
<td><strong>Total Assessed Revenue Need</strong></td>
<td>1,126,315</td>
<td>1,084,220</td>
<td>1,050,755</td>
</tr>
<tr>
<td>Revenue DEL Funding*</td>
<td>1,062,449</td>
<td>1,016,000</td>
<td>994,400</td>
</tr>
<tr>
<td><strong>Revenue Budget Gap</strong></td>
<td>(63,866)</td>
<td>(68,220)</td>
<td>(56,355)</td>
</tr>
</tbody>
</table>

*excludes non-cash DEL (e.g. depreciation)

### Analysis of Cost Reductions Required

<table>
<thead>
<tr>
<th></th>
<th>2013-14 £000s</th>
<th>2014-15 £000s</th>
<th>2015-16 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Reform Savings</td>
<td>35,081</td>
<td>46,449</td>
<td>20,500</td>
</tr>
<tr>
<td>Net Cost Pressures</td>
<td>28,785</td>
<td>21,771</td>
<td>38,855</td>
</tr>
<tr>
<td><strong>Total Cost Reductions Required</strong></td>
<td>63,866</td>
<td>68,220</td>
<td>56,355</td>
</tr>
</tbody>
</table>
## Appendix E5 – Capital Plan 2013-16

<table>
<thead>
<tr>
<th>Funding</th>
<th>2013-14 £000s</th>
<th>2014-15 £000s</th>
<th>2015-16 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Government Capital Grant</td>
<td>18,300</td>
<td>25,200</td>
<td>28,600</td>
</tr>
<tr>
<td>National Top Slice Grant</td>
<td>4,500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Capital Grant</td>
<td>3,500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Capital Receipts</td>
<td>3,300</td>
<td>8,920</td>
<td>6,400</td>
</tr>
<tr>
<td>Funding for Legacy Schemes</td>
<td>23,330</td>
<td>1,040</td>
<td>0</td>
</tr>
<tr>
<td>Virement from Police Reform</td>
<td>0</td>
<td>10,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>52,930</strong></td>
<td><strong>45,160</strong></td>
<td><strong>40,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT Infrastructure &amp; i6</td>
<td>14,000</td>
<td>20,930</td>
<td>25,900</td>
</tr>
<tr>
<td>Completion of Gartcosh Development</td>
<td>5,740</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fleet Replacement</td>
<td>4,750</td>
<td>6,000</td>
<td>6,500</td>
</tr>
<tr>
<td>Building Works &amp; Other Expenditure</td>
<td>3,910</td>
<td>12,200</td>
<td>7,600</td>
</tr>
<tr>
<td>Dalmarnock Development</td>
<td>0</td>
<td>5,100</td>
<td>0</td>
</tr>
<tr>
<td>Completion of Legacy Schemes</td>
<td>23,490</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Forensics</td>
<td>0</td>
<td>930</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>51,890</strong></td>
<td><strong>45,160</strong></td>
<td><strong>40,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Surplus / (Shortfall)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,040</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>


## Appendix E6 – Cost Reduction Plan 2014-16

<table>
<thead>
<tr>
<th>Cost Reduction Option</th>
<th>RAG Status</th>
<th>2014-15 £000s</th>
<th>2015-16 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full year savings from 2013/14 VR/ER scheme</td>
<td>Green</td>
<td>6,747</td>
<td>-</td>
</tr>
<tr>
<td>Ceasing cadets scheme</td>
<td>Green</td>
<td>111</td>
<td>50</td>
</tr>
<tr>
<td>Review of Police supervisory ranks</td>
<td>Green</td>
<td>3,386</td>
<td>384</td>
</tr>
<tr>
<td>Capitalisation of staff costs</td>
<td>Green</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>Rent Allowance savings</td>
<td>Green</td>
<td>800</td>
<td>1,000</td>
</tr>
<tr>
<td>Funding of transitional projects from Reform Budget</td>
<td>Green</td>
<td>9,401</td>
<td>3,509</td>
</tr>
<tr>
<td>Reorganisation of divisions / departments</td>
<td>Amber</td>
<td>11,397</td>
<td>5,892</td>
</tr>
<tr>
<td>SPA staffing structure rationalisation</td>
<td>Green</td>
<td>4,800</td>
<td>-</td>
</tr>
<tr>
<td>Changes to public holiday entitlement (police officers)</td>
<td>Amber</td>
<td>4,800</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total People</strong></td>
<td></td>
<td>40,642</td>
<td>10,835</td>
</tr>
<tr>
<td><strong>Property</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding of transitional projects from Reform Budget</td>
<td>Green</td>
<td>2,333</td>
<td>2,333</td>
</tr>
<tr>
<td>Delivering an estate fit for the future</td>
<td>Amber</td>
<td>2,965</td>
<td>6,488</td>
</tr>
<tr>
<td><strong>Total Property</strong></td>
<td></td>
<td>5,298</td>
<td>8,821</td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract rationalisation</td>
<td>Green</td>
<td>2,368</td>
<td>4,388</td>
</tr>
<tr>
<td>Increased income</td>
<td>Green</td>
<td>710</td>
<td>-</td>
</tr>
<tr>
<td>Non-application of inflation</td>
<td>Green</td>
<td>1,571</td>
<td>1,264</td>
</tr>
<tr>
<td>Budget efficiencies</td>
<td>Green</td>
<td>1,840</td>
<td>-</td>
</tr>
<tr>
<td>Reduction in 3C ICT costs</td>
<td>Green</td>
<td>6,000</td>
<td>905</td>
</tr>
<tr>
<td>Additional income to sustain third party payments (POCA)</td>
<td>Amber</td>
<td>4,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Procurement</strong></td>
<td></td>
<td>12,489</td>
<td>10,557</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>58,429</td>
<td>30,213</td>
</tr>
</tbody>
</table>
Appendix E7 – Assets and Liabilities

The primary assets of the organisation relate to property, plant and equipment, which include: police stations, office buildings, police houses, radio sites, vehicles, etc. Details of the value of these assets are included in the table below.

<table>
<thead>
<tr>
<th>Property, Plant &amp; Equipment Assets</th>
<th>Net Book Value (at 1 April 2013) £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; Buildings</td>
<td>452,161</td>
</tr>
<tr>
<td>Furniture, Plant &amp; Equipment</td>
<td>24,722</td>
</tr>
<tr>
<td>Vehicles</td>
<td>21,125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>498,008</strong></td>
</tr>
</tbody>
</table>

This asset base is managed in line with the Our Technology and Our Organisational Support strategic delivery plans. Over the period of this strategy it is anticipated that property assets will reduce as the estate is rationalised. Over the same period there will also be an increase in the ICT asset base as we invest in new technology, which will be partly funded from sale proceeds from property assets. We do not foresee any significant change in the value of our vehicle assets. Other assets held include: stock, debtors and cash balances. These assets are actively managed and are not expected to change significantly.

The liabilities of the organisation are comprised of:

- Creditors (general payments due to supplies);
- Provisions;
- PFI scheme creditor;
- Long-term borrowing; and
- Pension liabilities.

The most significant proportion of the organisation’s liabilities relates to the pension liability. This liability is estimated annually by the Scottish Police Authority’s actuary. This liability changes depending on: the performance of financial markets, inflation, salary/pension increases and life expectancy estimates. The pension liability will not be met from SPA’s sources of income, but will be met as it falls due by future direct funding from the Scottish Government. In addition, there will be a one off reduction in provisions (between 2013-14 and 2014-15) as a result of a change in accounting treatment moving from a Local to Central Government accounting framework.
Appendix E8 – Scenario Planning on Financial Position

Our budget has been set based on the most likely financial position. The primary cost pressure affecting the organisation relates to pay inflation. The following table shows a range of scenarios assuming various rates of pay inflation.

<table>
<thead>
<tr>
<th>Pay Inflation</th>
<th>2014-15 £000s</th>
<th>2015-16 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0.5%</td>
<td>4,657</td>
<td>4,541</td>
</tr>
<tr>
<td>1.0%</td>
<td>9,313</td>
<td>9,081</td>
</tr>
<tr>
<td>1.5%</td>
<td>13,970</td>
<td>13,622</td>
</tr>
<tr>
<td>2.0%</td>
<td>18,626</td>
<td>18,163</td>
</tr>
<tr>
<td>2.5%</td>
<td>23,283</td>
<td>22,704</td>
</tr>
</tbody>
</table>

Appendix E6 sets out the cost reductions proposed to balance the revenue budget. These cost reductions have a RAG status attached to each. Based on this analysis we have carried out the following scenario analysis based on achievement of these reductions.

<table>
<thead>
<tr>
<th>2014-15</th>
<th>Best Case Scenario £000s</th>
<th>Most Likely Scenario £000s</th>
<th>Worst Case Scenario £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Baseline Budget</td>
<td>1,056,928</td>
<td>1,056,928</td>
<td>1,056,928</td>
</tr>
<tr>
<td>Cost Pressures Change in pay inflation assumption</td>
<td>17,979</td>
<td>0</td>
<td>17,979</td>
</tr>
<tr>
<td>Total Costs Pressures</td>
<td>17,979</td>
<td>27,292</td>
<td>41,217</td>
</tr>
<tr>
<td>Total Assessed Need</td>
<td>1,074,907</td>
<td>1,084,220</td>
<td>1,098,145</td>
</tr>
<tr>
<td>Revenue DEL Funding</td>
<td>1,016,000</td>
<td>1,016,000</td>
<td>1,016,000</td>
</tr>
<tr>
<td>Budget Gap</td>
<td>(58,907)</td>
<td>(68,220)</td>
<td>(82,145)</td>
</tr>
</tbody>
</table>

Cost Reduction Proposal

<table>
<thead>
<tr>
<th>Cost Reduction Proposal</th>
<th>Best Case Scenario £000s</th>
<th>Most Likely Scenario £000s</th>
<th>Worst Case Scenario £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Cost Reduction Proposals</td>
<td>33,267</td>
<td>33,267</td>
<td>33,267</td>
</tr>
<tr>
<td>Amber Cost Reduction Proposals</td>
<td>25,162</td>
<td>25,162</td>
<td>0</td>
</tr>
<tr>
<td>Red Cost Reduction Proposals</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Cost Reductions</td>
<td>58,429</td>
<td>58,429</td>
<td>33,627</td>
</tr>
</tbody>
</table>

A similar scenario analysis has been undertaken for 2015-16 taking each of the “best”, “most likely” and “worst scenarios” for 2014-15 as a starting point.