



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Justice Sub-Committee on Policing

**Thursday 24 November 2016**

**Session 5**



The Scottish Parliament  
Pàrlamaid na h-Alba



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**Thursday 24 November 2016**

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**JUSTICE SUB-COMMITTEE ON POLICING**

**3<sup>rd</sup> Meeting 2016, Session 5**

**CONVENER**

\*Mary Fee (West Scotland) (Lab)

**DEPUTY CONVENER**

\*Margaret Mitchell (Central Scotland) (Con)

**COMMITTEE MEMBERS**

John Finnie (Highlands and Islands) (Green)

\*Rona Mackay (Strathkelvin and Bearsden) (SNP)

\*Ben Macpherson (Edinburgh Northern and Leith) (SNP)

\*Liam McArthur (Orkney Islands) (LD)

\*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Chief Superintendent Gordon Crossan (Association of Scottish Police Superintendents)

Andrew Flanagan (Scottish Police Authority)

John Foley (Scottish Police Authority)

Andrea MacDonald (Scottish Police Federation)

David Page (Police Scotland)

**CLERK TO THE COMMITTEE**

Diane Barr

**LOCATION**

The David Livingstone Room (CR6)



## Scottish Parliament

### Justice Sub-Committee on Policing

*Thursday 24 November 2016*

*[The Convener opened the meeting at 13:03]*

### Decision on Taking Business in Private

**The Convener (Mary Fee):** Good morning, everyone, and welcome to the third meeting in 2016 of the Justice Sub-Committee on Policing. We have received apologies from John Finnie. Item 1 is a decision on taking business in private. Is the committee content to take item 3, which is consideration of the evidence heard at today's meeting, in private?

**Members** *indicated agreement.*

## Financial Planning 2017-18

**The Convener:** Item 2 is a financial planning evidence session. I welcome to the meeting David Page, the deputy chief officer for corporate services strategy and change at Police Scotland; Andrew Flanagan, the chair of the Scottish Police Authority; John Foley, the chief executive of the Scottish Police Authority; Andrea MacDonald, the vice-chair of the Scottish Police Federation; and Chief Superintendent Gordon Crossan, president of the Association of Scottish Police Superintendents.

I refer members to paper 1, which is a note by the clerk, and paper 2, which is a private paper. All the witnesses have provided written evidence, which I thank them for. I open the session to questions from members.

**Ben Macpherson (Edinburgh Northern and Leith) (SNP):** Good afternoon, everybody. My first question is quite generic. The Scottish Government has committed to protecting the police revenue budget in real terms for the entirety of the current parliamentary session. What difference will that commitment make in practice?

**Andrew Flanagan (Scottish Police Authority):** It is quite reassuring that we have had that commitment from the Government, but we still have financial challenges and we are trying to work out how we can live within the commitment.

As the committee might know, we are undergoing a major piece of strategic work called policing 2026, which is intended to give us long-term direction. The strategy is due for publication and consultation in mid-January 2017, and I hope that it will give us a clear understanding of what we need to do in the next two to three years to bring ourselves within the Government's financial commitment.

**Ben Macpherson:** Some of the written evidence referred to work on an estate strategy and the potential closure of some police buildings as a result of that strategy, as well as the use of shared buildings and collaboration on service delivery with other partners. Will the panel comment on that process?

**David Page (Police Scotland):** On the estate strategy, we have an on-going review of exactly what we need from an operational perspective across Scotland. Assistant Chief Constable Cowie is leading on that from the perspective of strategic operational policing requirements.

We engage with local partners to see where we can best deploy our resources and what assets and premises would be available by working with other partners. That process will link into our work

on the policing 2026 strategy, because it will change the shape of how we want to do things.

**Ben Macpherson:** Is it fair to say that there is not only a cost-saving element to the necessity of that consideration and the strategy, but a determination within that to improve service delivery in local communities?

**David Page:** It is not principally driven by cost saving, but by the efficiency of how we meet the demand. In any deployment of assets, there is always a financial element, so we will definitely look at how we can best meet the operational imperatives by meeting the demand and how we want to discharge our duties in relation to local policing and engagement with partners. That is a driver behind the estate strategy. Once we have worked out what that looks like, we will work out the most efficient way of getting to that objective.

**Ben Macpherson:** Okay; thank you.

**The Convener:** As there are there no further questions on that, I move on to Liam McArthur, who will start with questions about efficiency savings.

**Liam McArthur (Orkney Islands) (LD):** Can I also touch on the policing budget?

**The Convener:** Yes.

**Liam McArthur:** I am interested to know the panel's views on the budget. Last year, the national force's budget overspend was about £18 million. In August, we were told that the figure would be about £21 million. In October, it had risen to £27 million. Why is that? Having seen the trajectory going upwards in such a pronounced fashion and short space of time, what confidence can we have that the figure is likely to come down any time soon?

**Andrew Flanagan:** There are cost pressures. There are also a number of factors, including the fixed number of police officers, the increase in wages and salaries and the increase in national insurance, although some of that has been planned for. We attempted to make some cost savings to bring the budget back to a balanced position but some of the savings are taking longer to deliver than we expected.

As we look forward, there is no immediate relief from the cost pressures that we are under. We are a people-driven business: 90 per cent of our costs are people costs, so things such as inflation will continue to have a bearing. As part of the strategy, we are reviewing our estate, as we have mentioned. We are also reviewing some of our larger procurement contracts to see where we can save money through more effective management of those contracts. It is an on-going issue and there is no easy solution that would enable us to bring the budget back into balance.

**Liam McArthur:** What is your expectation for that figure going forward? You say that some of the pressures might ease and the situation will stabilise. Does that suggest that the rate of increase will slow or should we expect a reduction in the £27 million figure?

**Andrew Flanagan:** We will not see a reduction in that figure in the current year. Over a timeframe of two to three years, we can bring it to within the financial commitments that the Government has made to us.

**Liam McArthur:** I turn to efficiency, although I do not want to cover ground that my colleagues will go over later. Mr Crossan's submission says:

"Most of the savings were predicated upon significant investment in the service's IT infrastructure through creation of a single IT solution, designed to streamline process, remove duplication, providing agility and mobility to local policing resources."

It goes on to say that savings are still expected to be made although the new information technology solution has not materialised. How will those savings be achievable, given the extent to which they appear to hang on the IT solution?

**Chief Superintendent Gordon Crossan (Association of Scottish Police Superintendents):** The question of how that will be achieved might be better answered by the SPA and the deputy chief officer. I have significant concerns that many of the savings that were predicted were dependent on the IT solution that has not materialised but our budget is still expected to reflect those predicted efficiency savings.

We need to look more widely. There is also reform money in the budget. The current £17.5 million overspend and the capital budget include approximately £55 million of reform money. I suggest that we are about £80 million short of a sustainable budget to deliver the policing that the public expects.

Although I agree with the SPA that we will be in a much better place in two to three years, in the short-term here and now—which is what today's evidence is about—I am not confident that we can continue to deliver a policing service within the budget. That is not about the way in which we police; it is purely down to finances. We do not have enough money to continue to deliver the service that the public expects.

**Liam McArthur:** What are the consequences of that?

**Chief Superintendent Crossan:** We already see the consequences because we are offsetting some of the capital budget to prop up revenue. The media narrative has contained much about the state of disrepair of our buildings and cars. I

want to make it clear that the issues with the buildings were not Police Scotland issues; they were inherited. However, we cannot ignore them. The estate strategy is looking at closing some of the premises and doing collaborative work, which we absolutely support. However, that work will not be enough to fill the policing void. If £55 million of reform money is going in to prop up policing, that tells me that the current budget is not sufficient.

Give the SPA and Police Scotland a budget that reflects what is needed to deliver policing now, then hold us accountable for delivering on that, rather than giving us a budget that is not sufficient to deliver policing and has to be propped up by reform money.

**The Convener:** Mr Flanagan, I have a brief follow-up question to your answer to Liam McArthur's first question on efficiency savings. You said that some savings take longer than others to materialise. Can you be more specific about the savings you are referring to? Is there a particular area that is taking longer to produce the efficiency savings required? Can you give us any detail on that?

13:15

**Andrew Flanagan:** As an example, we are sometimes tied into contracts for two to three years. We do not have an opportunity to change those contracts until they come to an end and we can repurchase them. That would take time.

People changes inevitably take a long time to deal with, because of the sensitivities. Although we have reform money for voluntary redundancies and whatever, we have to ensure that we can release the people who are coming forward for redundancy through some of the changes that we have made. Sometimes we get more demand in the wrong places when it comes to requests for voluntary redundancy.

**The Convener:** Thank you—that was helpful.

As no other members have questions on that point, we move on. Margaret Mitchell will start off the questions about financial management.

**Margaret Mitchell (Central Scotland) (Con):** I thank the panel for their submissions. The SPF, the Association of Scottish Police Superintendents and Unison all provided detailed and helpful pointers to where there are some problems.

On the Police Scotland submission, however, I regret to say that the word that came to mind was "vacuous". There is practically nothing there. You state:

"In addition to the work to understand the baseline costs for the year ahead, the SPA and Police Scotland are currently working collaboratively to set out a vision and strategy for policing over the next decade."

The Auditor General for Scotland has been asking for that 10-year strategy for some time now, but it has never materialised. How on earth can you effectively put that strategy together when the SPF says:

"we have not been involved in any discussions with either the Scottish Police Authority (SPA) or the Police Service of Scotland (PSoS) around the budget"?

The SPF goes further:

"In fact it would be true to say that in other general soundings over how the budget is challenging, it is our sense there is a desire to exclude us from such considerations."

In addition, Unison states:

"Our police staff branch has had no financial update and has been excluded from finance and investment meetings, despite being a key stakeholder."

Gentlemen?

**John Foley (Scottish Police Authority):** I will deal with that series of questions. The budget meeting with the Scottish Police Federation has not yet taken place, partly because we do not have enough detail to engage fully on the budget for next year. I have a meeting set up with the federation next Wednesday, however, and I fully intend to discuss the budget with the federation at that meeting. That will be important, and I look forward to engaging on that.

On Unison's comments, a meeting was set up a couple of weeks ago to update Unison and Unite on financial matters. That meeting had to be postponed because a meeting with the auditor from Audit Scotland was scheduled on the same day to review the annual accounts for 2015-16. The update was to be given by the chief financial officer of Police Scotland but, clearly, he had to attend the meeting with the auditor. That conflict gave rise to the meeting being postponed. I believe that the meeting took place yesterday—if not yesterday, certainly today. That update meeting will now have taken place.

On Unison saying that it has been excluded from finance and investment committee meetings, I suggest that "excluded" is a strong term. The finance and investment meetings that have taken place in relation to the budget have been in private until this stage, because the budget is being developed.

**Margaret Mitchell:** Let us park that to one side, and I will go back. Mr Flanagan, you have said:

"We are a people-driven business".

We do not yet know the budget settlement, but we certainly know the problems that have been highlighted in the SPF and ASPS submissions. Have you not bothered to talk to them? What confidence can we possibly have at this stage that the 10-year strategy will be effective when you

have made no attempt to talk to the very people who represent the core of our police force—the police staff and the rank-and-file officers?

**David Page:** I recently met representatives of the Scottish Police Federation and, yesterday, I met Unison representatives to discuss the planning around how we can achieve efficiencies, transform the back office and link the financial position with the 10-year strategy and technology. Multiple workstreams and strands of activity have to be pulled together so that we can have coherent one, two and three-year plans that link into the 10-year strategy.

I have given the SPF and Unison a commitment that, once we have settled on a robust plan and discussed it with the SPA, I will go back to both bodies and discuss our intentions with them.

**Margaret Mitchell:** That sounds like you are saying, “This is the plan and you have no input. You might have the odd thing to say, but we are not really going to listen to you.” That is an appalling thing to say.

Mr Flanagan, in what you describe as a “people-driven” service, why have you not met the people who are at the core of the service, and who are out there every day and know the problems that the 10-year strategy has to address?

**Andrew Flanagan:** We meet them regularly, and the issues that they face have been raised with us on many occasions. We factor that into the work that we are doing on the strategy, but we are not yet fully through the process. We expect full engagement, in due course, with all the interested parties from the staff associations and the unions.

**Margaret Mitchell:** If we hear from Andrea MacDonald, that might give you an early indication of some of the problems.

**Andrea MacDonald (Scottish Police Federation):** We have a meeting set up, but we have been trying to re-engage with the SPA for some time. We used to have more regular meetings, but they have fallen by the wayside, despite our attempts to keep them going. Along with Unison and the ASPS, we no longer have the access that we used to have to all parts of the SPA meetings. The things that Margaret Mitchell has said are correct.

In the report that we submitted to the committee and elsewhere, in various mediums, we have highlighted the problems that our officers are facing and the issues with our fleet, our infrastructure and estate, which I am sure the committee is aware of. Our officers are feeding back to us information about the pressures that they are under, the extra hours that they are working and so on.

I am sure that the committee will have seen in our submission information about the survey that we did with the inspectors, which highlighted a week in September last year. As a result of that survey, the University of Cardiff established that our inspectors were working additional hours that equated to another 392 members of the inspecting ranks. Those hours are not compensated because, as you know, inspectors are not entitled to overtime or anything like that.

The work that we are doing is far in excess of our budget, and that is manifesting itself in more stress, higher absence levels and more problems at work. Our staff are at the point at which they do not have the capacity to give more to work even if they wanted to, because they are so tired after working all the extra hours that they must work.

**Margaret Mitchell:** Does anyone want to respond to those specific points now that they have been raised in public?

**David Page:** We are keen to engage with the Scottish Police Federation and police officers themselves. I have given a commitment to the Scottish Police Federation, ASPS and the force executive to establish better forums to enable police officers to provide us with direct information about the strains and stresses that they are under. In order to establish what operating models look like, I want to allow people on the ground to make points such as those that we have just heard, and ensure that we listen to them better and more frequently. We must demonstrate that we have heard those points, that we build them into our planning and that we give feedback on them.

**Margaret Mitchell:** If I picked up Andrea MacDonald properly, she said that communication was better before. With regard to discussions with the SPA, the Scottish Police Federation’s submission says:

“there is a desire to exclude us from such considerations”.

That cannot be a situation that you are happy with, especially given that, since its inception, the SPA has been continuously criticised for being on the back foot. It cannot be right that, early on, before you know what budget you have been given, you are not identifying the problems that are faced by police officers, based on information from them and the police associations. I do not think that it is acceptable that you have to wait until you know what your budget is until you do that.

Mr Crossan, do you have something to add to that?

**Chief Superintendent Crossan:** My submission goes back over the past three years. For the first three years of Police Scotland, we were not in the position that we wanted to be in

relation to our financial governance. The appointments of David Page and James Gray—our interim chief financial officer—and their ability to look at the current financial situation give me confidence, however; they have been able to unearth our budget deficit.

Although I say in my submission that the ASPS has not specifically discussed with the PSoS and the SPA the future budget and the plan for next year, we have regular conversations in which we raise our concerns about the impact of the budget on policing. The force is alive to that and we are engaged with that, albeit that we do not see the pounds and pence information from the SPA meetings.

Previously, I had no confidence about moving forward, but I do now. Mr Page is in the unenviable position of having to catch up with three years' work to get us into a position to move forward. From the point of view of the Association of Scottish Police Superintendents, we are more than happy to support that just now. It is not a position that we want to be in, and we would like to know exactly where we are but, given the circumstances, a bit of time is needed to put the foot on the ball, understand exactly where we are and move forward from there.

**Margaret Mitchell:** But the communication has not been as you would ideally have liked it to be.

**Chief Superintendent Crossan:** I would not say that. I regularly discuss financial issues with not just Mr Page, but all members of the executive. It is not particularly great that we do not understand how much money we will have. To go back to the SPA's point, it is therefore very difficult to engage on how much money we will spend.

**Margaret Mitchell:** That is a bit weak, is it not? You must know where you would like the spare money to be and where the pressure points are.

**Chief Superintendent Crossan:** Absolutely.

**Margaret Mitchell:** Your job is to put forward that information on behalf of the members whom you represent.

Does it cause you any concern that the Scottish Police Federation more or less feels that it has been frozen out of the process? The rank-and-file officers who represent the core of our police force have had absolutely no contact with the SPA or Police Scotland to make representation on the budget.

**Chief Superintendent Crossan:** If that is the position in which Ms MacDonald's members are, that is unacceptable. The ASPS has conversations, but I reiterate that we have not met the PSoS and the SPA to discuss the future budget. We have raised concerns about the impact of the current budget on policing, which the

organisation is listening to, but we will not be able to put plans in place until we get the budget settlement.

**Margaret Mitchell:** Has a strategy been developed? I do not think that people think that it has, but you seem to suggest that it is just about there, although there have been no talks with the key players. When will a strategy be in place? Given that the Auditor General for Scotland previously reported on incomplete records and poor financial management delaying the SPA accounts, what measures have been taken to address those specific aspects?

**Andrew Flanagan:** In my earlier response to Mr Macpherson, I mentioned that we expect to publish the draft strategy in the middle of January and open it up for consultation. We expect to have further discussions with both the ASPS and the Scottish Police Federation before that is published.

**Margaret Mitchell:** How many meetings are in public and open for people to scrutinise and hear what the SPA is discussing?

**Andrew Flanagan:** The governance review was published earlier in the year and adopted by the cabinet secretary. We intend to have at least eight public board meetings a year.

**Margaret Mitchell:** What about the financial discussions?

**Andrew Flanagan:** As part of that review, I recommended that the meetings of the financial and investment committees and, in fact, all the sub-committees of the board should be held in private, as we would not make any decisions in them. They were working groups to go into details, and all decisions would be reserved for the board. The board meetings will now be held in public on all occasions, which means that the public and stakeholders who are interested can go to them and hear the board's deliberations.

**Margaret Mitchell:** They can hear the board's deliberations, but not the discussions about financial details. Again, that puts the Scottish Police Federation at a disadvantage. It really has little input into and little idea of what its oversight body is thinking of. That is totally unsatisfactory.

I will leave my questioning there, convener.

13:30

**The Convener:** The situation is quite disappointing for an organisation that has gone through the transitional change that Police Scotland has gone through. It appears that you had better relations with your staff organisations in the past and it is disappointing that you have not, through open dialogue and discussion, carried

those organisations on the journey of transition. I would like to see some fairly swift improvements in the discussion and dialogue that you have with staff organisations.

We will move on.

**Rona Mackay (Strathkelvin and Bearsden) (SNP):** My colleague Liam McArthur touched on the issue that I want to ask about. The SPA has forecast an overspend in 2016-17, but it has predicted an underspend in the capital budget. In that regard, the submission from the Scottish Police Federation, which does not pull its punches, poses the question:

“Does the service invest in care and maintenance of a decrepit estate to the neglect of IT capability that is near falling over, or does it do the reverse? Quite simply it cannot do both.”

I want to get a brief overview from the witnesses on whether you agree with that statement.

**John Foley:** Calum Steele’s submission makes a point in relation to expenditure on the estate and information and communication technology. It has to be said that considerable investment is required in both. Last month, we received an additional £2 million in funding from the Scottish Government to invest in the estate. At present, the estates people are looking at that and trying to prioritise and consider where they can make best use of that additional funding.

We have touched on the end of the single ICT programme, which was i6. The ICT director is working up a new plan. It will not be a big-bang plan involving one single item—he will work it up in phases. Again, we will prioritise and consider where we can use expenditure to best advantage to improve the position that Calum Steele has set out. Work is on-going. I have a meeting with the ICT director first thing tomorrow morning to review some of his drafts. Clearly, as we move through that process, we will engage with colleagues in the federation and the ASPs.

In relation to the previous comments, prior to being called to give evidence today, I agreed to have at least quarterly meetings with all the staff associations and the trade unions on a separate basis.

**Rona Mackay:** Thank you. Would you like to comment on the statement in the SPF submission, Ms MacDonald?

**Andrea MacDonald:** Calum Steele covered the issue well. We are in a no-win situation. We have a decrepit estate and the ICT is not what we need to do our job as we would wish. As I am sure members are aware, there is a lot more cybercrime—the chief constable has spoken about that on numerous occasions. For us to police that, we need an efficient ICT system, but we are still

struggling, even with the basics. We still have eight different payroll functions. That is being addressed, but we are almost four years down the line. That obviously causes problems, because it takes more time to do things. We do not have a single input so, when an officer makes an arrest, they might have to input the same details six, seven or maybe more times into different systems. That keeps officers off the street for longer, when they could be back on the street being more visible and serving communities. Even the basics need to be overhauled. We need to get one system for the whole country.

**Rona Mackay:** Mr Foley, given what Ms MacDonald has said and the urgency of the issue, what timescale are you talking about when you say that you are progressing the issue and that you will do it in stages?

**John Foley:** Some of it is under way. There are plans under way at the moment to take a step towards consolidation of the payroll systems. That is not staying still. However, it will take a number of years to address all the matters that need to be addressed in relation to capital investment.

**Rona Mackay:** The problems that Ms MacDonald is highlighting will take a number of years to resolve.

**John Foley:** Yes.

**Rona Mackay:** Does anyone else have a comment on that? Mr Crossan?

**Chief Superintendent Crossan:** The Police Service of Scotland prides itself on delivering what is probably the highest quality of policing in the United Kingdom, if not worldwide. That is a reputation that we should all be proud of.

What we are talking about puts that under significant strain. We see the narrative in the media about financial decisions. We deliver a service for the public, first and foremost. Although we are here to talk about money, this is not just about conditions for police officers. The federation is right to bring that up because the conditions for our officers and staff are not what they should be, but the fundamental principle behind policing is about delivering a service to the public. We need to have enough money to make decisions. We need not just to stand still but to move forward and meet the challenges that are coming over the hill relating to cyber and other types of crime.

We do not have enough money to invest in things such as ICT, training and the wellbeing of our staff, which are fundamental things that we need to get right in order to modernise and transform as a service. We need not just to continue to produce a good service but to improve it. That is what the public expects from us and, to

be fair, it is what the public deserves for the money that it gives us.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Before I go on to the subject of ICT, I will say that I am delighted to hear what Margaret Mitchell said about how decision making should take place. We will send the *Official Report* of this meeting to the Prime Minister so that we can know something about what is going on in the private meetings on Brexit planning, too.

I have a series of questions on ICT, not all of which I expect the witnesses to be able to answer now—we may need a written response. My background is 30 years in ICT, running major projects with hundreds of staff and, subsequently, lecturing to postgraduates on running ICT projects. That is where I am coming from.

While the i6 project was current, how many people in Police Scotland and in the contractor were working on it? Broad-brush figures will do if you do not have them to the last one and a half.

**John Foley:** As you would expect, the number varied across the timeframe. My recollection is that, at the peak, the number of Accenture people would have been in excess of 200 and, in Police Scotland, it would probably have been about 50.

**Stewart Stevenson:** That is quite a substantial commitment in a project of that size.

Looking to the software that was being developed, there is always an issue, in projects such as this, about who ends up owning the intellectual property that is associated with them. Can you give me a sense of the use of licences for pre-existing software? Obviously, in any project, one wants to minimise the use of unique developments when proprietary solutions that are already available can be used. Have you any sense of the breakdown, or was it going to be a unique solution? If so, who was going to end up owning the intellectual property?

**John Foley:** It was going to be a unique solution and the intellectual property would have been held by Accenture. I recall that some separate purchases of Oracle licences were associated with the project. Those are owned by Police Scotland.

**Stewart Stevenson:** Unless the contract provided otherwise, the effect of Accenture owning the intellectual property would have been that you would inevitably have been locked in to Accenture maintaining the system for the entire life of its implementation.

**John Foley:** There would have been an element of on-going maintenance, apart from off-the-shelf packages that we would have been supporting.

**Stewart Stevenson:** Sure. I come to the questions that I am not so confident that you will be able to answer right now. I would like to know three things.

First, how many items were there in the work breakdown structure? In other words, how many separate elements of work were identified for those 250 people?

Secondly, how many change requests were in the system at the point at which the project was pulled, and what had been done with those change requests? In other words, which ones had been carried forward into the design for the project, which ones had been discarded and which ones had not been looked at?

Finally, if the project had got to the stage for which this is a relevant question—because it might not have done—how many entries were there in the error log? Similarly, how many had been disposed of by fixing, how many had been disposed of in that they were not errors in the proper sense, and how many remained outstanding?

I ask those questions in order to get a sense of how the whole thing was working. I also assume that, as you move to more straightforward, phased, smaller parts of the development, you will, over time, deliver through later projects most of what you were trying to do on the big project. Of course, you can tell me if that assumption is not valid.

**John Foley:** I will try to answer that as best I can. I am not a technical person, so forgive me if I get the terminology wrong. If I try to visualise the project as a structure, at the top there were six packages, which were the main control packages. Those were six areas of work that looked after things such as the custody of detainees. Sitting below that were about 32 sub-packages, some of which would have gone into areas such as mobile technology—enabling officers to have the technology to which Andrea MacDonald referred earlier.

On change requests, my recollection is that there was a significant number of them but I would have expected that on a project of that size.

**Stewart Stevenson:** Oh, yes.

**John Foley:** It was a particularly large project. As far as I am aware, Accenture dealt with errors on a very regular basis, so there were weekly, if not daily, meetings between the technical people on both sides to address those. However, when we took the decision to close the project, there would have been a number of outstanding errors. As we moved towards the close, it was becoming obvious that there was going to be only one outcome. At that point, there is almost a pause on

dealing with some of the errors because you know then that you are not going to move forward with the project and to deal with them would be a waste of effort for people.

**Stewart Stevenson:** Let me just say that a project that has no change requests is one that has died. I am not concerned that there were change requests: there always have to be. As the customer learns more about what they want to do, they realise that they need to do it differently.

Perhaps my final question is: of the six high-level packages, which was the one that primarily led you to pull the plug on the project?

**John Foley:** I do not think that there was one primarily, Mr Stevenson. For me—again, I am not technical—it was the underlying issue of the system that was feeding into the six areas. We looked at the various options as to how we might move forward. Clearly, bringing the project to a conclusion was the one that we chose—it became the preferred one. However, we also looked at whether we could take what had been developed and develop it further. That was another option, but we decided, as with some of the other options, that the amount of time and perhaps additional budget that we would spend on it would not give us the benefit that we had perceived at the outset. There was not one single module that led us to say that we should not move forward with the project.

**Stewart Stevenson:** In essence, the basic architecture of the solution was flawed. You did not have an architecture for the solution within which you could deliver those packages effectively.

**John Foley:** It is probably more accurate to say that the architecture for the solution would have required more work than we had envisaged at the outset and would have taken longer. In our considered opinion, after looking at the options, which we did with the directors from Accenture—we did not do it in isolation because we wanted to include them, as you do, to get to the best solution—it was in the interests of both parties to bring the project to an end.

**Stewart Stevenson:** Finally—and I think that this requires a brief answer—are all the requirements that you were attempting to include in the system still outstanding and to be implemented in future systems, or are you looking again at the requirements?

**John Foley:** We are looking again at the requirements. That touches on the comments I made earlier, about the ICT director producing a new plan as to how we deliver on those. The requirements that were set out within i6 are still valid, so we know that we will do at least that. We need to understand whether technology has

moved on to enable us to do those things better, according to solutions. We believe that we do have a solution for custodies, which was one of the strands in i6 that I mentioned. We are planning to roll that out nationwide in this financial year, so development of one aspect is already under way and some others are being developed on a smaller scale. The plan for that is being worked up at the moment.

13:45

**Liam McArthur:** I do not have Stewart Stevenson's vast back-history in IT, but I certainly share his curiosity about this matter. You touched on some of the lessons that were learned through the process, and there are probably many more. However, in the announcement at the beginning of July about the cancellation, it was suggested that an independent review would take place. Can you update the committee on who will undertake that review, what its remit will be and what the timescale for coming back with formal findings will be?

**John Foley:** Yes, I can give you that. We did say that in the announcement and, indeed, we pressed ahead. We asked Audit Scotland to carry out the lessons-learned review as part of the annual audit. The review is therefore part of the audit, but it is a separate process. The review has been under way for a few months and is scheduled to complete and report in December, and it is on track to do just that.

**Liam McArthur:** As I understand it, the SPA's accounts will be looked at by Audit Scotland in any event. In what way will the project review be done separately by Audit Scotland and what remit have you set it?

**John Foley:** The people who are carrying out the audits are Audit Scotland employees, who are a separate group of people from those who are reviewing our annual report and accounts. We publish the accounts anyway, but it is our intention to publish the lessons learned as a separate document.

**Liam McArthur:** In terms of the money that has already been invested in the i6 project, Mr Crossan has outlined the problems that have arisen as result of not being able to proceed with the project and the efficiencies that will not be delivered as result of the failure to deliver the project. My understanding, from responses to freedom of information requests, is that a total amount of £17.9 million or so has come out of Police Scotland's budget, of which £13.5 million was paid to Accenture. Can you update the committee on the efforts that have been made to recoup that money? I understand that there was

an undertaking that all public money that was spent on the project would be recovered.

**John Foley:** Yes, and I can confirm that all public money that was spent on the project has been recovered in agreement. We got a substantial payment at the end of August and are scheduled to get another payment at the end of March.

**Liam McArthur:** Can you confirm that the figure of £13.5 million, or thereabouts, was the amount that was recouped from Accenture?

**John Foley:** It was in excess of that.

**Liam McArthur:** Right. So the full £17,931,000 will have been recouped.

**John Foley:** Yes.

**The Convener:** Moving on, I want to ask the panel about the impact and effect that all the changes and the efficiency savings have had on staff. I was quite struck by the written submissions that we received. Mr Crossan, you said in your submission:

"The association is concerned for the welfare of our members and the reduction in ranks, to save money, which has given them additional work ... The extreme pressures placed on our staff, coupled with their commitment and determination to deliver the highest quality public service, should be properly recognised and compensated by a suitable pay award".

Calum Steele said in his submission that the

"budget must be able to cater for fair pay increases as it would be unforgivable to expect police officers to pay the price for keeping policing",

and that

"Rural policing is already a shadow of its former self and the community based activities that once saw the police officer as a cornerstone of community life are increasingly rare."

The Unison submission said:

"Our members are the service, its very backbone and yet they see no improvement in their working conditions as they continue to be the target of measures to address overspending or underfunding elsewhere. They feel they are the second class citizens in our police family."

I am keen to hear your comments on what the submissions refer to. What do you think has been the impact on how the police perform? Perhaps Mr Crossan can start.

**Chief Superintendent Crossan:** Any cuts to the policing budget have obviously affected the front line. That narrative—I keep using that term—has been played out a lot.

The biggest risk to Police Scotland is that, as our officers are put under more and more pressure to deliver more and more services, the discretion of effort that they get now will be taken away from them. I will put a bit of context to that. I am talking

about the extra mile that police officers and staff go and the additional hours that they work but do not get paid for to deliver a service for the public, because that is what they are committed to. If you put additional pressure on people, their downtime—when they can recover from a hard day's work at the office—becomes more important to them.

The challenge with the mid-ranking officers is that they are the leaders in operational policing; they are the people who go out and nurture our front-line police officers. Front-line police officers generally have less service. As a person comes through the service, the opportunity exists for them to move elsewhere. I am concerned about who will nurture those people. Because of the budget constraints, our staff training has not been as robust as it can be. Consequently, we start to have people who become vulnerable—because of their anxieties about not having the relevant training, they do not have the confidence to deliver their work. I do not know the exact figures, but you will be able to see that a significant amount of our staff are either off ill or off with work-related stress. That is not a good position for us to be in as an organisation.

I have had a recent conversation with DCC Iain Livingstone. We have started up a wellbeing group and its first meeting will be in January 2017. We will have a focus on how we treat our staff and look after their wellbeing in the organisation.

I would have to say that, up to now, the force has not been particularly strong in that area, but I am pleased to say that it has stepped up and we will be taking the issue of wellbeing seriously. The association will be embedded in the work to ensure that our members, and those who are within the federated ranks, are looked after at their work.

**Andrew Flanagan:** We recognise some things that are in the report, and there is an enormous amount of pressure in the system. We need to have a clear way of dealing with the demands on the service. Mr Steele mentioned in his report the issue of 80 per cent of activity not being crime related. I disagree with his report in that we do not suggest that that 80 per cent is wasted effort; rather, we suggest that it goes on other activities. For example, missing persons are one of the largest and most intensive demands on our resource. That is not a crime matter, but we have a responsibility to deal with it.

When we look forward over the next 10 years, there will be an increase not so much in the crime-related areas, but in the non-crime-related areas, which will put additional demand on our staff and police officers. Everyone is working incredibly hard and is very dedicated. The important factor is that we get in place the support systems and tools that

they need in order to make them more productive and allow them to de-stress in some of the ways that have been talked about, because we would accept that there is pressure in the system. However, those will not be quick solutions. The initial phase of Police Scotland's creation has been very much about amalgamating the eight legacy forces, but the process of transformation has not started, so we need a clear direction for the future, hence our work on policing 2026, which will give us a sense of the things that we need to do not only in the longer term, but in the more immediate phase with regard to the direction in which we go and the steps that we take first to alleviate some of the issues and problems.

**Andrea MacDonald:** It is fair to say that the morale of the police staff and police officers is extremely low. There is plenty of evidence on that from all the surveys. The committee has heard the narrative around the staff survey but will not have read the comments that were made by the staff, which were extremely telling. The inspectors, superintendents and sergeants have all done surveys and they all come out with the same stuff.

There is some work going on around that and, like the ASPS, we are involved in that. However it is a slow process and the police staff need to see some change now. Our police staff and police officers are giving more than they have ever given, with fewer numbers. We are cutting rank ratios at the moment, without knowing our demand profile and where we need our officers to be. That is against a backdrop of the comments from the surveys, which suggest that people are already doing too much. The staff are doing more than they did when there were eight forces.

We have set up a wellbeing group. Our internal occupational health has changed and is perhaps not as good as it was before in providing support. We need more work on that and I hope that the wellbeing group will provide some of that.

In terms of pay freezes and looking at reducing terms and conditions to free up more money for front-line policing, Calum Steele's comment that

"it would be unforgivable to expect police officers to pay the price for keeping policing"

applies to police staff, too. What he is asking is whether it is fair to ask those staff to pay for the policing function.

We have fewer police in our rural areas and we are closing more and more offices. There is a concern about visibility in our rural communities. We have national departments, but they draw resources away from our towns and rural areas. The national resources can be dispatched when there is a problem, but they are not there for the public on a constant basis.

We have a workforce that is stretched to breaking point and can only see more work coming its way. That is not necessarily because of the reduction in numbers. There is an increased demand on us because of a changing society—things come to us and we have to deal with them.

**The Convener:** Are there any quick fixes that could be put in place to make it easier, or do you accept that it is a long process?

**Andrea MacDonald:** I accept that it is a long process. However, there are some things that we can consider just now. For example, perhaps we need to switch the music off and look at exactly where we are, without continuing to cut things such as the rank ratios. We need to make cuts against a background of what we know, rather than cutting for the sake of saving money. We need to make decisions based on effectiveness, efficiency and service delivery for our communities, rather than because of funding.

**The Convener:** Mr Foley, do you have anything to add before I come to Mr Crossan?

**John Foley:** I recognise the points that Andrea MacDonald is making. We have the wellbeing group. As I said, I have given a personal commitment to meet with the staff associations and trade unions on a quarterly and on-going basis, ensuring that such meetings do not fall off the radar. That will help because we will be able to take on board the important views of colleagues across policing in Scotland, enabling us to make informed decisions.

**Chief Superintendent Crossan:** It is fair to say that, given the current situation, if we were eight forces, we would not be delivering policing as we are now. That is to say that we absolutely support the fact that we are now one organisation.

Mr Flanagan has spoken about the future—that is fantastic and we get all that. However, it took several years before the plug was pulled on i6 and we do not have another two or three years to get some of the fundamentals of dealing with our people and staff right so that we can deliver the service to the public.

As you will see from our submission, we believe that we need investment now to allow us to make savings in the future. We cannot do that against the backdrop of the current budget, where we can see that we are probably £80 million short to deliver policing. If we are going to transform the organisation properly, we need to spend money to do that and we need to spend it now. We cannot do that within the current budget. That is a real concern for the ASPS.

**Liam McArthur:** I will tie together a couple of things that Ms MacDonald and Mr Crossan said about the changing nature of and demands on

policing. Are there aspects of the work that is now required of officers and staff that have grown up organically and which should not really be expected of policing? Would removing them ease some of the budget pressure, although that might shift it somewhere else? If so, what are those areas?

14:00

**Chief Superintendent Crossan:** Mr Flanagan already said that only 20 per cent of calls to the police concern a crime. Policing is no longer just about what I would call traditional community crimes. There is a much wider remit around general vulnerability, which includes missing people and so on.

We need to look at the emerging impacts of crime. When it comes to cyber-enabled crime, the issue is not just investigating the crime but the future demand on policing. If we do not invest now in identifying the victims of such crimes, which I call hidden crimes, 10 years from now they will be coping with that on their own without support and they will place demand on policing, social services, health services, the fire service and the Scottish Ambulance Service. We need to understand the issue and have the resource available to look at some of those hidden crimes, so that we can prevent ourselves from looking back in 10 years' time and saying that, if we had invested 10 years ago, we would not have the problem.

We can all see the demand that we have as a result of mental health issues, which probably place the biggest demand on policing above crime. Just because there is no criminal act, that does not mean that no resource is used.

This weekend, I worked out at Falkirk and watched the police officers there. Every second of every hour that I was there, the officers were not in the police office. They did not come in and get their break. The two or three officers who returned during the night dealt with missing people who were vulnerable and had mental health issues.

If you are asking what has the biggest impact, it is mental health. There needs to be greater clarity of approach. I know that part of policing 2026 is looking at how we pull together to deal with mental health as part of a victim-centred approach. I am not convinced that we are doing enough on that. The issue also requires investment from the national health service and social services.

**Liam McArthur:** The feedback that I get locally is that what police are getting drawn into is not the type of work that they are geared up to perform. That highlights a deficiency in the funding that is available for local mental health services. I do not

think that my locality is any different from many others.

**Chief Superintendent Crossan:** I agree. The issue is that, when other services step back from dealing with mental health, the police step forward, because people consistently phone the police. If the behaviour of someone in the community is out of the normal, people phone the police, not the national health service. As an organisation, when we see people in crisis, we will not step back from that. However, if we look at the issue far more holistically and look to the future, we see that the police should not be dealing with such issues, because we are the most expensive resource to send and we are not trained to deal with them. If we arrest someone with a mental health issue, is that really the outcome that we want for people? Is it the outcome that they need? It is not.

**Andrew Flanagan:** I fully agree with Chief Superintendent Crossan. Looking to the future, there is no way that we want to move away from the position that policing currently has, whereby it is often the service of first response but is also the service of last resort. That will always be our philosophy. However, we have to join up with other services and make sure that the gaps that have been created because other services are also short of funding do not mean that the balance of work is shifted on to policing. If we join up and collaborate with the other organisations that are involved, solutions can be found that help to address some of the shortcomings.

**Margaret Mitchell:** I seek reassurance on these points. The point is well made that, although recorded crime levels are down, demand is very much up, and that demand does not always result in a crime being recorded. Policing is complex and you have mentioned a focus on cybercrime, which has a hidden cost. The Scottish Police Federation has a definite concern that there is a softening up of the public on vulnerability to cybercrime, which is understandable, and the likelihood is that there will be fewer visible police to deal with problems. However, at the same time it is recognised that, as Mr Flanagan said, the police are a service of first resort and last resort, especially for public protection.

We are talking about vulnerable people with mental health issues. Just now, the police deal with such people. Whether or not the police should be doing that, there is a concern about saying that the approach should be collaborative and that maybe other services should do that work. The SPF put that concern concisely when it said:

"We consider there is little point pretending other services, with all of their own budgetary challenges, will simply step up to the plate on these areas. It is ... inevitable some of our most vulnerable citizens will effectively be left in crisis by organisations unwilling to respond to their needs because of a lack of finance."

Although collaborative working is the way forward, I seek an assurance that the police will not be left short changed because they have to deal with those issues when other organisations simply do not have the finance to step up to the plate. Can you give that assurance?

**Andrew Flanagan:** We cannot confidently say that the police have the skill sets. A police officer is not necessarily the best person to deal with the issue of—

**Margaret Mitchell:** The question is about financing and ensuring that, when all else fails and as a last resort, in the interests of public protection, the police still have the resources to deal with those issues, so that nobody is left with no public service organisation looking after them. There is an increasing number of people with mental health issues who are vulnerable.

**Andrew Flanagan:** The question is where the funding is best placed. If the issue arises because of a gap in health services, I am not sure that increasing the policing budget is the right way to solve that problem. It would be far better for the NHS to have additional funding to meet the needs.

Because we are better funded—our funding has been protected—we have not made some of the cuts that other services have made. The inevitable consequence, however, is that extra pressure is put on the police service on a day-to-day basis by the gaps in services from other providers in the system. That is not a sustainable position. We have to deal with additional demand because the population is growing and getting older, and those things will inevitably increase pressure on us. We have to use the resources that we have more effectively to try to meet that extra demand. However, we cannot continually compensate for other services in the system.

**Margaret Mitchell:** I will put the point another way. Public protection is one of the main reasons why we have a police force. If someone with mental health issues is not only vulnerable but a threat to the public, the police have a duty to deal with that as the force of last resort. We are on dangerous ground. In an ideal world, other services would pick that up, but they have budgetary constraints and the likelihood is that they will not. I seek an assurance that rank-and-file police officers will not be left vulnerable in such situations.

**Andrew Flanagan:** As I said, our philosophy remains that we will be the service of last resort and we will pick up those pieces. However, our finances are also constrained, so we cannot do everything. We can only be as good as we can be with the funding that we have.

**Margaret Mitchell:** I hope that you do not hit the headlines with that one, Mr Flanagan.

**Chief Superintendent Crossan:** Vulnerability is the key strategic priority for Police Scotland. We will never step away from somebody who is in crisis, regardless of who has the ultimate responsibility to look after them. Dealing with such people is what we do day in, day out. The challenge for us, while we are dealing with the increased demand in that regard, is how we deal with what I call the community-level issues—the lower-level stuff that really impacts on communities. How do we balance dealing with that local need with some of our national priorities? That is the challenge for us, but be reassured that we will never step away from somebody who is in crisis.

**Andrea MacDonald:** I reiterate what Mr Crossan just said. We go to everything—we will never refuse to go to any call. Public protection is a growth industry. Most of the crisis stuff happens outwith normal office hours, when the only people who are there are police officers. In our submission, we raise the concern that we are slimming down the front line to a point at which, outwith those hours, we cannot cope with such incidents or deliver the service that communities need. Sometimes, that involves protection from individuals when they are in crisis, but it also involves protecting such individuals themselves.

**Ben Macpherson:** There is a consensus on liability for VAT, but I seek clarity and your views on that. The previous Justice Committee's report on the draft budget for 2016-17 highlighted continued frustration over Police Scotland's inability to recover VAT on the services and material that it purchases. Can you estimate the impact of that on the resources that are available for policing during the current financial year?

**Andrew Flanagan:** We continue to be the only police service in the UK that suffers from VAT. That is managed through the reform budget. I understand that the Scottish Government is still trying to negotiate with the Treasury to change that position. At the moment, that does not fall within our direct budget. The reform budget is under the control of the Scottish Government, which manages the process. We expect this year's unrecoverable VAT to be in the order of £25 million.

**Andrea MacDonald:** As Mr Flanagan said, we continue to be the only police service that has to pay VAT. I understand that that is compensated for in the reform budget. However, that must be drawing money from other public sector agencies, which is inherently unfair. The Westminster Government has now set a precedent with its proposals for academy schools and the National Crime Agency, which will not pay VAT. It remains unfathomable why the Westminster Government continues to punish Police Scotland in that way.

**Margaret Mitchell:** Do you accept that the academy schools are not analogous? Northern Ireland is often cited, but the Northern Ireland Executive performs local government-type planning or whatever and it has its Barnett allocations cut by 2.5 per cent to allow for the fact that it does not pay VAT. The examples that you gave are not really analogous.

**Andrea MacDonald:** I still think that it is inherently unfair that VAT is imposed on us.

**The Convener:** As members have no further questions, I thank all our witnesses for attending. It has been an informative and useful session.

14:12

*Meeting continued in private until 14:23.*



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