



Meeting	Forensic Services Committee
Date	07 May 2024
Location	Via MS Teams
Title of Paper	P11 Finance Report
Presented By	Fiona Douglas, Director of Forensic Services
Recommendation to Members	For Discussion
Appendix Attached	Yes – Appendix A – Finance Report P11 2023/24

PURPOSE

The purpose of this report is to provide Members with an update on the financial position of Forensic Services as at the end of P11 (28 February 2024) of the financial year 2023/24.

1 BACKGROUND

- 1.1 The SPA Board approved the revenue and capital budget for 2023/24 for the Authority and Police Scotland on 23 March 2023.
- 1.2 Forensic Services' agreed allocation was a revenue budget of £44.5 million, capital spend of £1.8 million and reform budget of £1.1m to support transformational change.
- 1.3 As agreed with the Scottish Government, estimated funding requirement for the transition of Post-Mortem Toxicology Services from the University of Glasgow to the SPA was set at ~£2.3 million in the approved budget.
- 1.4 The Scottish Government (SG) has also committed ~£0.3 million in year funding for the outsourcing of drug driving tests.

2 FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 **Appendix A** provides the detailed finance report as at the end of period 11 (28 February 2024).

Revenue

- Q3 net expenditure forecast was for an underspend vs budget of £0.5m, with lower pay costs offsetting higher non-pay costs.
- Lower pay spend reflects the challenges in recruitment that Forensic Services has faced throughout 2023/24.
- £0.4m of the non-pay increase relates to Postmortem toxicology outsourcing costs not budgeted for.
- Actual spend to end of P11 (end of February 2024) was £0.1m higher than Q3 forecast, driven by non-pay overspends.

Capital

- The Q3 forecast was for a reduction from the budget of £1m due to spend being paused if not legally committed by Police Scotland in order to help manage the capital spend in 2023/24 alongside slippage in projects and spend that is no longer required.
- Actual spend to end of P11 (end of February 2024) was in line with forecast at £0.5m. However, some deliveries are expected to slip into next year with spend expected to come in at circa £700k.

Reform

- Overall spend is forecasted to be £0.4m under budget. This reflects less staff resources being used during the year than budgeted as some projects have come to a close. Spend YTD on Forensic Services projects and the full year Q3 forecast is in line.

3 FINANCIAL IMPLICATIONS

3.1 The financial implications are summarised above and detailed in Appendix A.

4 PERSONNEL IMPLICATIONS

4.1 There are no direct personnel implications associated with this report.

5 LEGAL IMPLICATIONS

5.1 There are no legal implications in this report.

6 REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications in this report.

7 SOCIAL IMPLICATIONS

7.1 There are no social implications in this report.

8 COMMUNITY IMPACT

8.1 There are no community implications in this report.

9 EQUALITIES IMPLICATIONS

9.1 There are no equality implications in this report.

10 ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications in this report.

RECOMMENDATIONS

Members are invited to discuss.
Q3 Finance Report
07 May 2024



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SPA Forensic Services

Finance Report

Period 11 (to 29 Feb) 2023/24



Summary

Revenue:

G	G	G
Dec	Jan	Feb

**£0.1m / 0.3%
Over forecast**

Capital:

G	G	G
Dec	Jan	Feb

**In line with
forecast**

Projects:

G	G	G
Dec	Jan	Feb

**In line with
forecast**

Capital

Year to date (period 11)

▪ **£1.3m underspent** YTD budget vs actuals
▪ **In line with forecast** YTD forecast vs actuals

Full year forecast (at Q3)

▪ **£1.0m underspent**
Last forecast at Q3: £1.0m underspent vs budget
Forecasted net costs: £0.8m

The overall capital position within Police Scotland is forecasted to overspend by year end if no action was taken earlier in the year. As a result, spend across all business areas (Police Scotland, Scottish Police Authority and Forensic Services) was **paused if it was not legally committed in period 8**. Exceptions were made for business critical spend. In forensics three projects with a value of £285k have been paused for this reason.

Revenue Summary

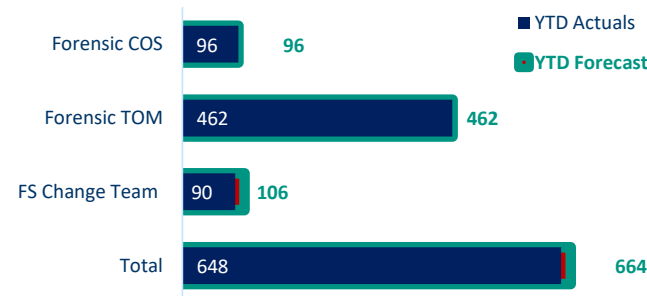
Year to date (period 11)

▪ **£0.5m underspent** YTD budget vs actuals
▪ **£0.1m overspent** YTD forecast vs actuals

Full year forecast (at Q3)

▪ **£0.8m underspent**
Last forecast at Q3: £0.8m underspent vs budget
Forecasted net costs: £44.3m
Included: £0.3m additional SG funding for outsourcing

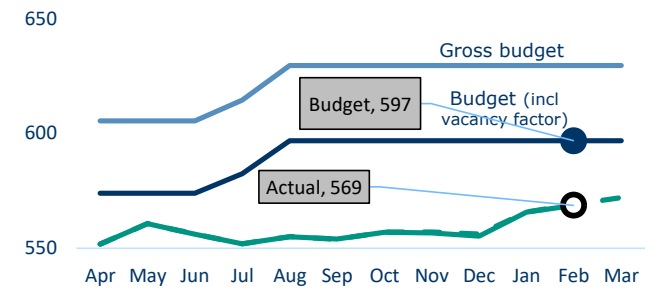
Projects (£000)



- Overall actuals are in line with Q3 forecasted project spend.
- Full year spend is expected to be £708k with £60k (8%) expected to be spent from in the final month of the financial year.

Staff Headcount (FTE)

Overall staff numbers are lower than planned reflecting slower recruitment of the new operating structure.



Issues, Threats & Opportunities



Issue: Efficiency plan slightly behind target (£141k). Focus on this ahead of budget pressures for 2024/25.

Issue: Capital spend delayed into 2024/25 with £95k still yet to be ordered. Proposed budget next year reflects anticipated slippage.



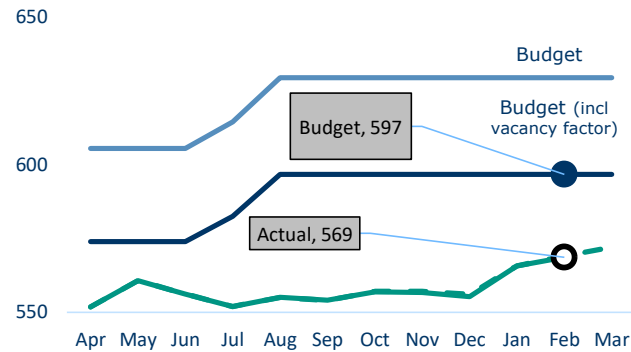
Threat: Year-end stock count write down may have the effect of increasing expenditure for 2023/24. Functions have been running stocks down that have built up over Brexit/covid. This won't be known until P13 when a stock count will be conducted.

Summary

	Year to date				Year to date			
	Budget	Actual	Var		Forecast	Actual	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	35.7	34.6	1.1	3.1%	34.6	34.6	0.0	-
Overtime	0.4	0.4	0.0	-	0.4	0.4	0.0	-
Non-pay	5.3	5.9	-0.6	11.3%	5.8	5.9	-0.1	1.7%
Income	-0.1	-0.1	0.0	-	-0.1	-0.1	0.0	-
Total	41.3	40.8	0.5	1.2%	40.7	40.8	0.1	0.2%

- The year-to-date actual spend is £0.2m overspent vs forecast.
- The year-to-date actual spend is £0.5m underspent compared with budget. This is expected to grow to **£0.8m** underspent to budget by year end. This is due to recruitment taking longer than budgeted.
- The overall forecast at Q3 was an **underspent budget position**.

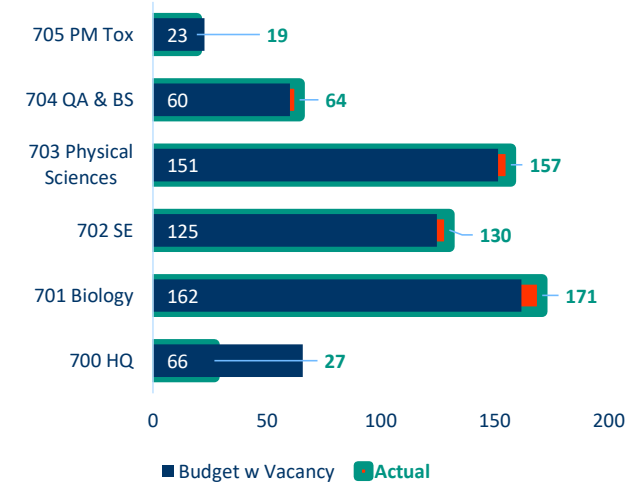
Staff Headcount (FTE)



YTD actual £1.1m underspend vs budget, forecast to increase by £0.2m to £1.3m underspend vs budget by the year end.

- The broken line shows the Q3 forecast which is compiled every three months. Built into the Q3 forecast are several external posts that are currently at vetting/interview stage or will be moving towards interview but expected to be in post before the year end.
- Staff numbers have remained under budget by 28 FTE's. Recruitment is ongoing related to filling posts within the forensics operating model, however, this is behind the planned budget phasing.

Staff Headcount by Function (FTE)



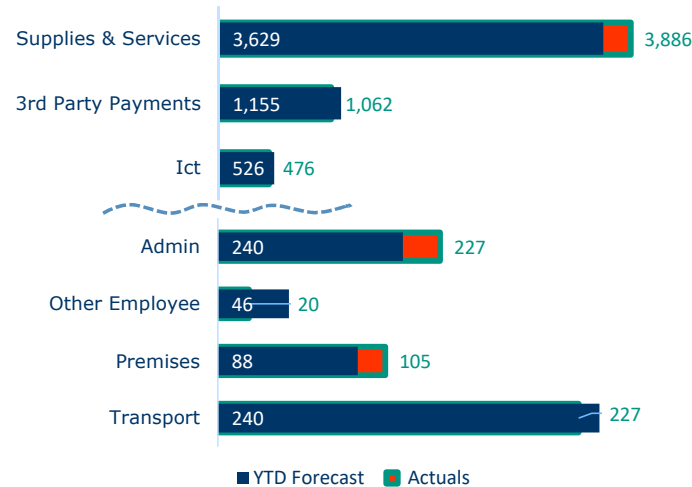
- The approved budget included new posts as part of the new forensics operating model. These posts have been phased across the year as shown in the graph on the left.
- For budgeting purposes, the growth posts have been retained within HQ, however, the actual new posts are across the service creating an artificial underspend in HQ and overspend in other areas, primarily scenes.
- Finance and FS require to revise its functional structure and budgets for the new operating model.

Summary

	Year to date				Year to date			
	Budget	Actual	Var		Forecast	Actual	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	35.7	34.6	1.1	3.1%	34.6	34.6	0.0	-
Overtime	0.4	0.4	0.0	-	0.4	0.4	0.0	-
Non-pay	5.3	5.9	-0.6	11.3%	5.8	5.9	-0.1	1.7%
Income	-0.1	-0.1	0.0	-	-0.1	-0.1	0.0	-
Total	41.3	40.8	0.5	1.2%	40.7	40.8	0.1	0.2%

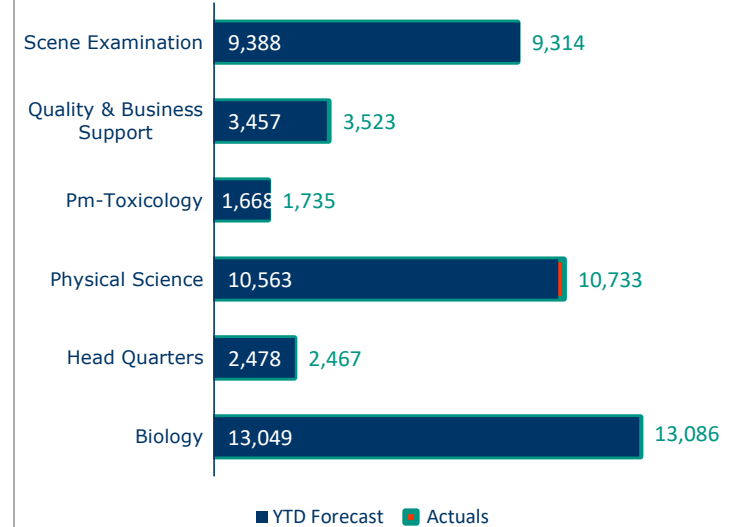
- The year-to-date actual spend is £0.2m overspent vs forecast.
- The year-to-date actual spend is £0.5m underspent compared with budget. This is expected to grow to **£0.8m** underspent to budget by year end. This is due to recruitment taking longer than budgeted.
- The overall forecast at Q3 was an **underspent budget position**.

Non-Pay Expenditure YTD (£000)



- Overall non-pay expenditure items are £100k overspent vs forecast at P11 with total spend coming in at £5.9m.
- The main variance relates to an equipment maintenance contract within supplies and services. This variance relates to an incorrectly received purchase order that was receipted for the full term of the maintenance licence rather than just year one. Therefore, in P11 full year costs for four years has been recorded. This will be fixed in P12 with the variance falling back in line with forecast as this error once adjusted removes the variance. We have taken steps to address this to ensure it doesn't happen in the future.

Revenue Spend By Function YTD (£000)



- Overall revenue spend by function is £100k overspent vs forecast at P11 with total spend coming in at £40.9m.
- The variance largely relates to the Physical Science equipment maintenance error described in the previous non-pay expenditure YTD section.
- There are also numerous variances across the functions, however, none that are material and worth pulling out.
- At the end of P11 there are no issues relating to pay/non-spend.

Efficiency	Detail	FY Value £000	YTD Value £000	YTD Delivered £000	Deliverability RAG Status
Y-STR	DNA testing process improvements - second half 23/24	70	64	0	●
PCR Volumes	DNA testing process improvements - second half 23/24	60	55	0	●
Forensic Examiner Rota *	Reduce on call staff	30	28	0	●
Training *	Reduce 3rd party training spend	40	37	0	●
Overtime	Reduction in overtime	50	46	0	●
Logistics	Reduction in 3rd party logistics spend	60	55	16	●
Income Generation	Earn additional income vs 2022/23 budget baseline	50	46	41	●
Business Support Consumables	Reduction in consumable spend	12	11	0	●
Duty Manager Consolidation	Reduce on call staff	15	14	15	●
T&C Harmonization	6 month delay in additional costs from Post Mortem Tox staff transferring to SPRM	120	110	110	●
DNA 4 Site to 2 Site	Consolidate DNA testing into 2 locations	20	18	137	●
Operational Kits	Reduce expenditure on consumables	15	14	37	●
TOTAL		542	497	356	

- At budget setting, FS set an efficiencies, savings target of £0.5m. These reductions have been included in the approved full year budget as shown on the prior pages.
- The table highlights progress on the agreed efficiency savings. In the year to date, the service is overall behind with the efficiency's plans.
- Staff costs are forecasted to reduce due to op model recruitment slowing versus planned. Therefore, the efficiency plan is not key now to achieving a balanced budget. Nevertheless, efficiencies are needed to be made towards achieving a balanced budget for 2024/25. The savings made in staffing in 2023/24 are not recurring for next year as the op model recruitment is targeted to be finished by year end.
- Local initiatives are planning to take over the shortfall in the efficiency plan until year end.
 - The two 'black' RAD savings initiatives have not yet started, as originally planned for the second half of 2023/24.
 - There remains a numbers of 'red/ amber' rates efficiencies where savings have not been realised to date or won't be achieved in 2023/24.

* Will not be achieved in 2023/24.



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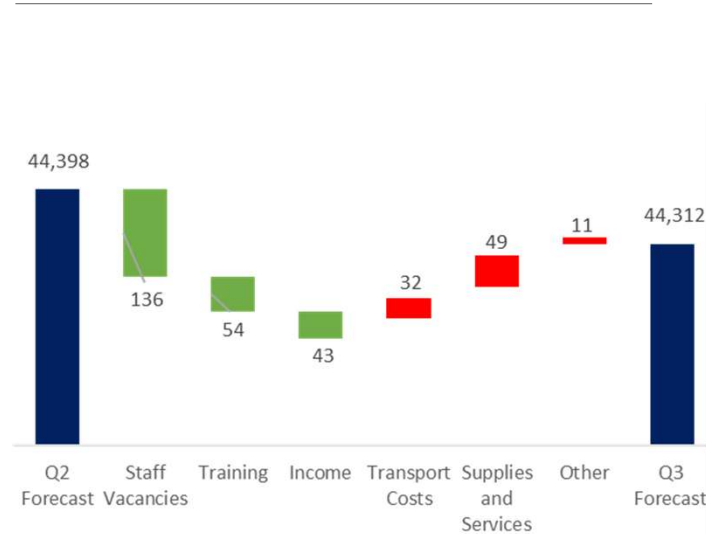
Appendices

Summary Q3 Forecast

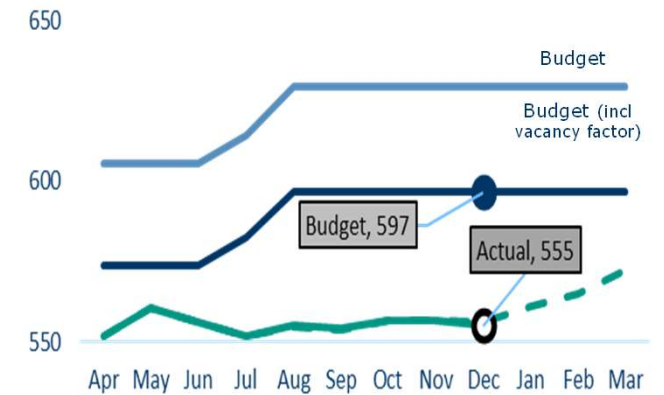
	Year to date				Full Year			
	Budget £m	Actual £m	Var £m	%	Budget £m	Q3 FC £m	Var £m	%
Pay	29.2	28.3	0.9	3.1%	39.0	37.9	1.1	2.8%
Overtime	0.3	0.3	0.0	-	0.4	0.4	0.0	-
Non-pay	4.0	4.8	-0.8	20%	5.5	6.2	-0.7	12.7%
Income	-0.1	-0.1	0.0	-	-0.1	-0.2	-0.1	100%
Total	33.4	33.3	0.1	0.3%	44.8	44.3	0.5	1.1%

- The year-to-date actual spend is £136k under budget.
- Over the year spend is forecasted to fall behind budget by £0.5m. This is mainly due to recruitment taking longer than budgeted.
- The overall forecast at Q3 was an **underspent budget position**.

Revenue forecast (£000)



Staff Headcount (FTE)



YTD actual £0.9m underspend vs budget, forecast to increase by £0.4m to £1.3m underspend vs budget by the year end.

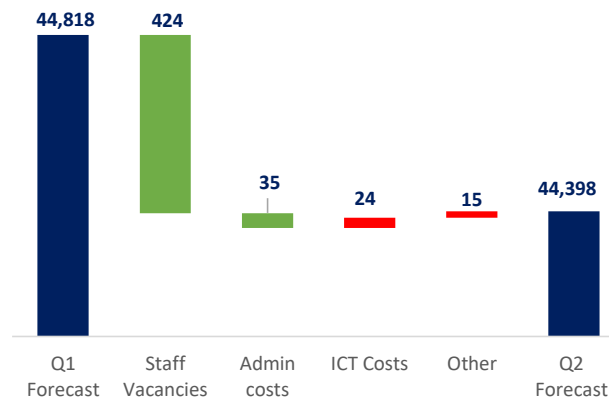
- The broken line shows the Q3 forecast which is compiled every three months. Built into the Q3 forecast are several external posts that are currently at vetting/interview stage or will be moving towards interview but expected to be in post before the year end.
- Staff numbers have remained under budget by 42 FTE's. Recruitment is ongoing related to filling posts within the forensics operating model; however, this is behind the planned budget phasing.

Summary Q2 Forecast

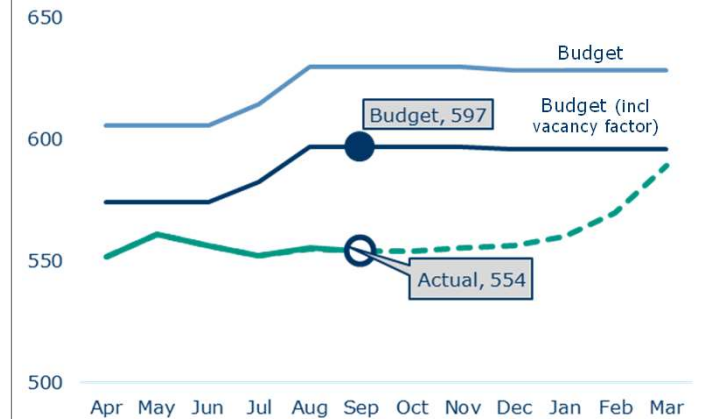
	Year to date				Full Year			
	Budget £m	Actual £m	Var £m	%	Budget £m	Q2 FC £m	Var £m	%
Pay	19.1	18.4	0.7	3.6%	39.0	37.9	0.1	0.6%
Overtime	0.2	0.2	0.0	-	0.4	0.4	0.0	-
Non-pay	2.7	3.4	-0.7	26.0%	5.5	6.2	-0.7	-13%
Income	-0.1	-0.1	0.0	-	-0.1	-0.1	0.0	-
Total	21.9	21.9	0.0	-	44.8	44.4	0.4	0.1%

- The year to date actual spend is in line with budget.
- Over the year spend is forecasted to fall behind budget by **£0.4m**. This is due to recruitment taking longer than budgeted.
- The overall forecast at Q2 was an **underspent budget position**.
- Nevertheless, efficiencies are needed to be made (see next slide) in order to achieve a balanced budget for 2024/25. The savings made in staffing in 2023/24 are not recurring for next year as the op model recruitment is targeted to be finished by year end.

Revenue forecast (£000)



Staff Headcount (FTE)



YTD actual £0.7m underspend vs budget, forecast to increase by £0.4m to £1.1m underspend vs budget by the year end.

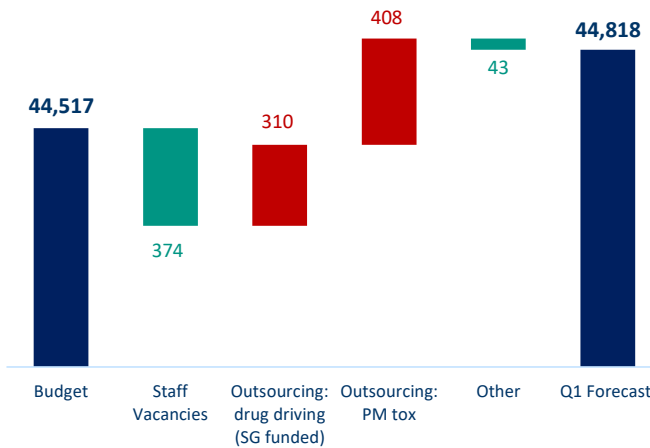
- The broken line shows the Q2 forecast which is compiled every 3 months. Built into the later stages of the Q2 forecast are several external posts that are currently at vetting/interview stage or will be moving towards interview but expected to be in post before the year end.
- Staff numbers have remained under budget by 43 FTE's. Recruitment is ongoing related to filling posts within the forensics operating model, however, this is behind the planned budget phasing.
- This is expected to be a non-recurring saving in the current financial year as these posts are filled by the end of the year.

Summary Q1 Forecast

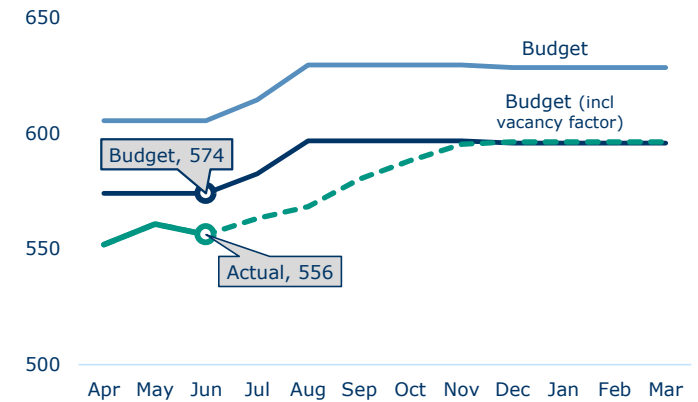
	Full Year			
	Budget £m	Forecast £m	Var £m	%
Staff	39.1	38.7	0.4	1.0%
Non-pay	5.5	6.2	(0.7)	12.7%
Income	-0.1	-0.1	0.0	-
Total	44.5	44.8	(0.3)	0.7%
Base funding	44.5	44.5	0.0	-
Additional SG funding for drug driving outsourcing	0.0	0.3	0.3	100%
Total Funding	44.5	44.8	0.3	0.7%

- The net costs are forecast to be £0.3m higher than the original budget, however, this is being funded by £0.3m of additional SG funding.
- Removing the impact of the additional funding and its associated spend, the underspend on staff cost offsets the additional PM tox outsourcing overspend.
- The overall forecast is a **break-even budget position**.

Revenue forecast (£000)



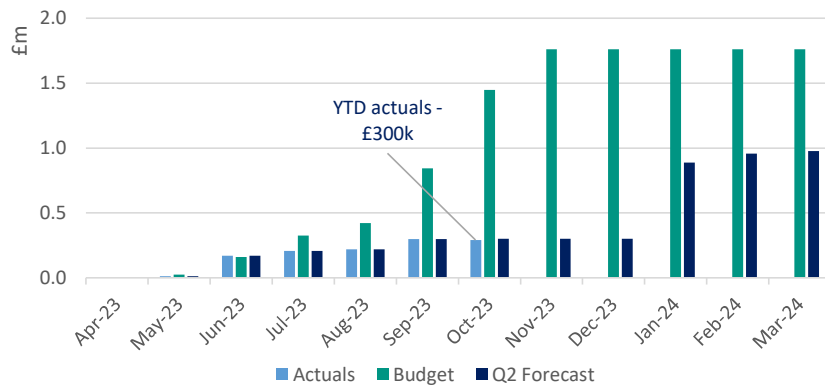
Staff Headcount (FTE)



YTD £0.1m underspend, forecast to rise to £0.4m by the year end.

- Staff numbers have remained under budget by ~20 FTE's. Recruitment is ongoing related to filling posts within the forensics operating model, however, this is behind the planned budgeting phasing.
- This is expected to be a non-recurring saving in the current financial year as these posts are filled by the end of the year.

- The originally approved FS capital budget was £1.76m for this year, noting FS would need to contribute to the overall slippage target.
- During the year this budget was reduced. At both Q1/2 forecast several projects have been identified as not needed or replaced with new capital spend.
- Since Q2 it has been identified that the capital budget for the police force will exceed the original allocation and therefore a few projects have been delayed with delivery pushed to early 2024/25.
 - For forensics these projects are the alcohol headspace (£70k), Data Tier 1 System updates (£100k) and RFID (£115k) with a total value of £285k.
 - It is anticipated with the delayed deliveries that the full year capital spend will likely be in the £791k region.



Capital Projects	Full Year Budget £000	Q1 Adjust £000	Q2 Adjust £000	Projects Paused £000	Current forecast £000	Comments
Forensics Hardware	92				92	Project due for delivery in 23/24
LineLite Crimelights	140		- 140		0	Project assessed as not needed in 23/24
Toughbook Replacement	300		- 300		0	Project assessed as not needed in 23/24
Alcohol Headspace	70			- 70	0	Project delivery delayed till early 24/25
Lasers (x3)	72	- 72			0	Project assessed as not needed in 23/24
Forensics Equipment	130				130	Project due for delivery in 23/24
Metal Deposition	152	- 152			0	Project assessed as not needed in 23/24
Fire Investigation Training facility	30		- 30		0	Project assessed as not needed in 23/24
Data Protection Tier 1 System Updates	200		- 100	- 100	0	Project delivery delayed till early 24/25
RFID	115			- 115	0	Project delivery delayed till early 24/25
Forensics Services Software	160				160	Project due for delivery in 23/24
Superglue Cabinets (Dundee and SCC)	32	32	35		99	Project due for delivery in 23/24
Networking of DCS-5s	92	7	50		149	£99K delivered in year to date. The rest of the project due for delivery in 2023/24
IDENT1 Single Search Location	150	- 150			0	Project assessed as not needed in 23/24
Imaging Solution for FPs	25		- 3		22	Project already delivered
MS Detectors for HPLCs			80		80	Project due for delivery in 23/24
Green Laser			20		20	Project due for delivery in 23/24
Adjustments	-	24	14		38	Prior year invoices not accrued, recorded invoices and stage 2 go live application specialist.
Total	1,760	-310	-373	-285	791	

Forensics Finance dashboard

P11 2023/24

Year to Feb 2023

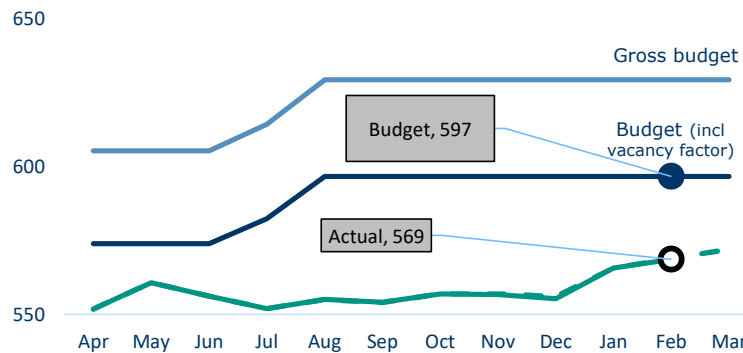
- The year-to-date actual spend is £0.2m overspent vs forecast.
- The year-to-date actual spend is £0.5m underspent compared with budget. This is expected to grow to £0.8m underspent to budget by year end. This is due to recruitment taking longer than budgeted.
- The overall forecast at Q3 was an underspent budget position.

Revenue Summary

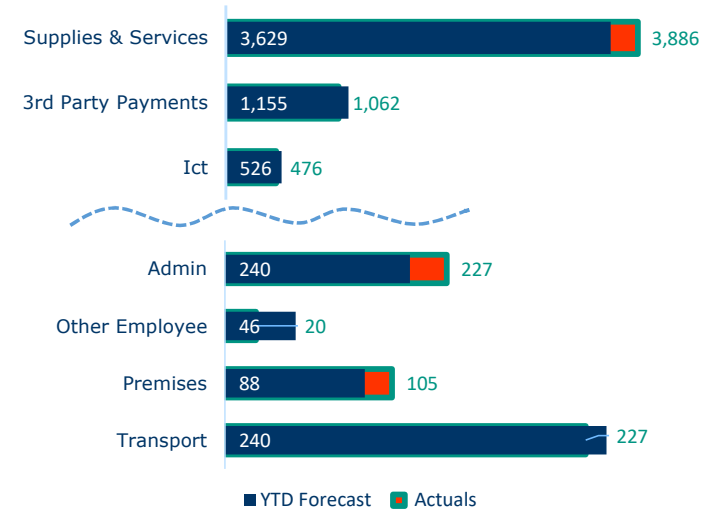
	Year to date				Year to date			
	Budget	Actual	Var		Forecast	Actual	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	35.7	34.6	1.1	3.1%	34.6	34.6	0.0	-
Overtime	0.4	0.4	0.0	-	0.4	0.4	0.0	-
Non-pay	5.3	5.9	-0.6	11.3%	5.8	5.9	-0.1	1.7%
Income	-0.1	-0.1	0.0	-	-0.1	-0.1	0.0	-
Total	41.3	40.8	0.5	1.2%	40.7	40.8	0.1	0.2%

Staff Headcount (FTE)

Overall staff numbers are lower than planned reflecting slower recruitment of the new operating structure.



Non-pay expenditure YTD (£000)



Issues, threats & Opportunities

Issue: Efficiency plan slightly behind target (£141k). Focus on this ahead of budget pressures for 2024/25.

Issue: Capital spend delayed into 2024/25 with £95k still yet to be ordered. Proposed budget next year reflects anticipated slippage.

Threat: Year-end stock count write down may have the effect of increasing expenditure for 2023/24. Functions have been running stocks down that have built up over Brexit/covid. This won't be known until P13 when a stock count will be conducted.

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