

<b>Meeting</b>	<b>Forensic Services Committee</b>
<b>Date</b>	<b>8 August 2022</b>
<b>Location</b>	<b>Video Conference</b>
<b>Title of Paper</b>	<b>Finance Report Q1</b>
<b>Presented By</b>	<b>Fiona Douglas, Director of Forensic Services</b>
<b>Recommendation to Members</b>	<b>For Discussion</b>
<b>Appendix Attached</b>	<b>Yes</b> <b>Appendix A – Finance Report Q1 2022/23</b>

**PURPOSE**

The purpose of this report is to provide Members with an update on the financial position of Forensic Services for quarter one (three months ending 30 June 2022) of the financial year 2022/23, as well as forecasting the full outturn to 31 March 2023.

- Members are invited to discuss the content of this report.

## **1. BACKGROUND**

- 1.1 The SPA Board approved the revenue and capital budget for 2022/23 for the Authority and Police Scotland on 23 March 2022.
- 1.2 Forensic Services' agreed allocation was a revenue budget of £40.7 million, capital spend of £1.5 million and some reform budget 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 ~£2.4 million in the budget but this is being closely tracked and will be agreed and finalised as part of the Spring Budget Revision process.
- 1.4 The Scottish Government (SG) has also committed ~£0.6 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.

### **Revenue**

- Q1 net expenditure forecast is broadly in line with budget at £40.8m (+£0.1m), though pay costs are expected to be £0.4m lower than budget due to higher vacancies within senior roles, offset by £0.5m increase in non-pay costs.
- £0.4m of the non-pay increase relates to additional drug driving outsourcing which the Scottish Government has agreed to fund as an addition to the budget

### **Capital**

- Capital spend year to date is in line with budget though majority of financial year spend is expected in Q3/Q4
- The Q1 forecast is not materially different from the budget though close monitoring of lead and delivery times for purchases is underway.

### **Reform**

- £0.9m of the overall SPA reform budget is allocated to support delivery of Forensic Services projects, though is not part of the direct Forensics budget. Spend YTD on Forensic Services projects is in line with the budget

**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 paper.

**5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications in this paper.

**6. REPUTATIONAL IMPLICATIONS**

6.1 There are no direct reputational implications associated with this paper.

**7. SOCIAL IMPLICATIONS**

7.1 There are no direct social implications associated with this paper.

**8. COMMUNITY IMPACT**

8.1 There are no direct community implications associated with this paper.

**9. EQUALITIES IMPLICATIONS**

9.1 There are no direct equality implications associated with this paper.

**10. ENVIRONMENT IMPLICATIONS**

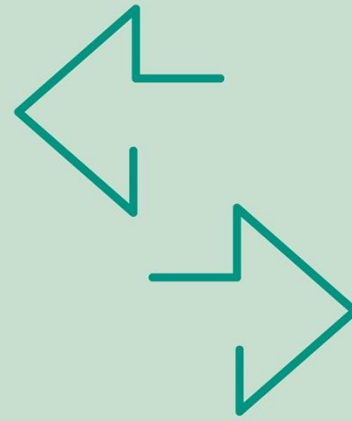
10.1 There are no direct environmental implications associated with this paper.

**RECOMMENDATIONS**

Members are invited to discuss the year to date and forecast financial position for Forensic Services.

# Q1 Financial Monitoring Report

2022/23



FORENSIC SERVICES

SCOTTISH POLICE  
AUTHORITY

# Summary

## Revenue

G	A	A
May	Jun	Jul

- Q1 forecast is for a small increase in spend due to increase in outsourced drug driving costs, offset in part by lower staff costs and other non-pay reductions
- Year to date revenue spend 8% behind/ lower than budget
- Non-pay under budget, income slightly under budget, both largely timing related.

## Capital

G	G	G
May	Jun	Jul

- Year to date spend marginally ahead of budget but material spend not expected until Q3/Q4.

## Projects/Reform

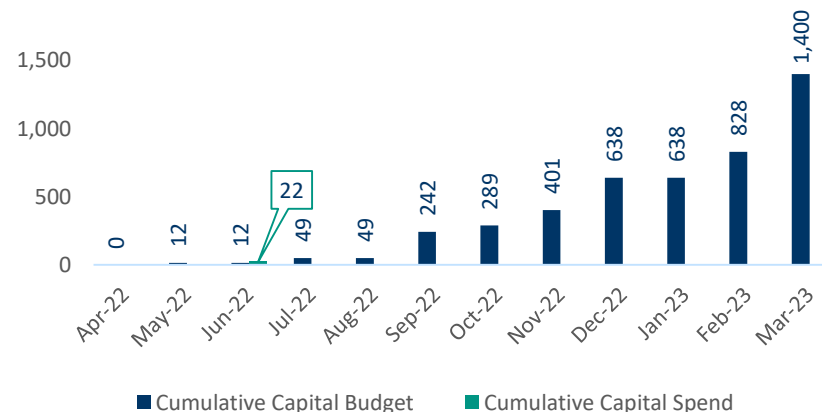
G	G	A
May	Jun	Jul

- Project Weaver – slippage of capital spend from prior year due to delays accessing new facility, offset by revenue underspends due to timing of outsourcing costs and lower resource costs – SG kept informed
- Reform spend on change team slightly above budget to date

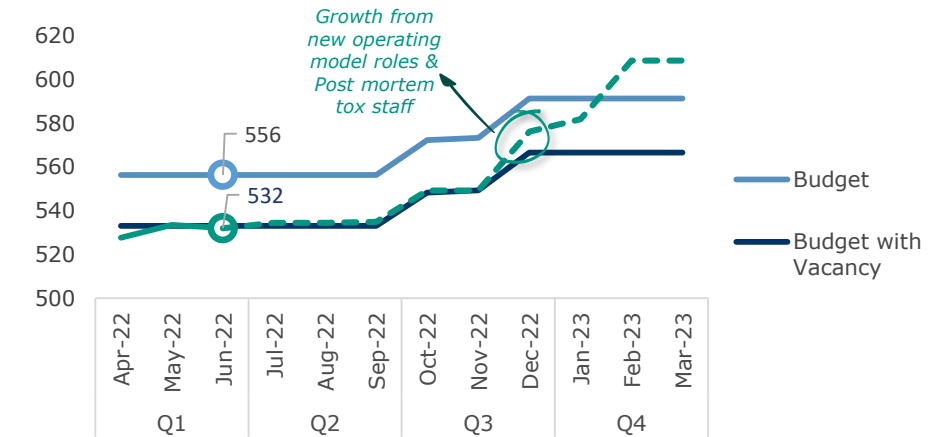
## Revenue variance (£000)

	YTD actual v budget	FY forecast v budget
Staff	263	246
Non-Pay	443	-329
Income	23	23
<b>Total</b>	<b>729</b>	<b>-60</b>

## BAU Capital spend (£000)



## Staff headcount (FTE)



## Project Dashboard (£000)

Project	Revenue YTD actual vs budget	Reform YTD actual vs budget	Capital YTD actual vs budget
Project Weaver	174	0	(257)
Forensics Transformation	0	(15)	0
Forensic COS*	0	0	0
<b>Total</b>	<b>174</b>	<b>(15)</b>	<b>(257)</b>

\*Included as budget includes £160k capital spend later in 2022/23

# Revenue: Q1 forecast

## Overall increase in spend forecast vs budget +£60k

- Additional outsourcing funding agreed by SG

## Staff costs £372k lower than budget

- year to date vacancy of senior posts, offset in part by expected acceleration of new operating model roles later in year.

## Non pay budget +£455k vs budget

- Includes additional £370k outsourcing spend for drug driving (funding already agreed by SG), additional HMICS cost and some additional Project Weaver spend
- Offset in part by lower service contract, consumable spend and the actual underspend in Q1
- Non-pay savings challenge included in budget released (£200k)

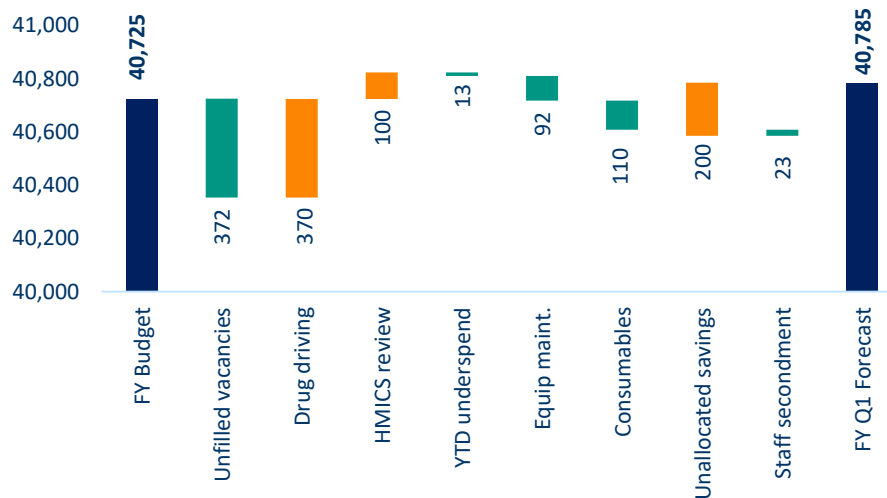
## Income higher than budget +£23k

- due to extended secondment of staff

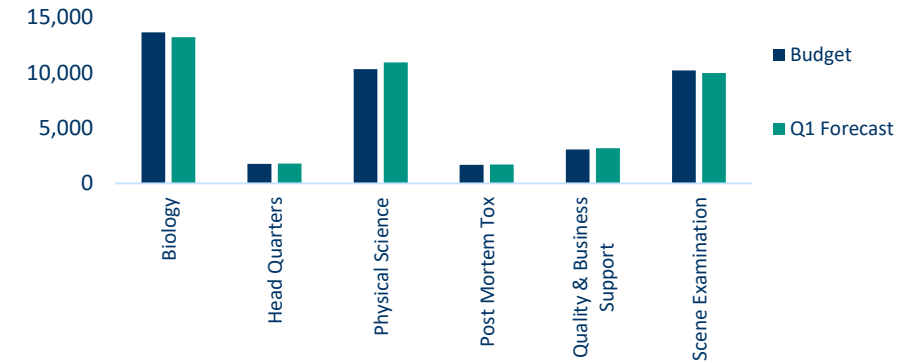
## Year to date & forecast summary (£m)

	Year to date			Full year			
	Budget	Actual	Var.	Budget	Forecast	Var.	
	£m	£m	£m	£m	£m	£m	%
Forensic staff	8.4	8.2	0.3	34.1	33.7	0.4	1%
Non-pay	1.7	1.2	0.4	6.7	7.2	-0.5	-7%
Income	-	0.0	0.0	-0.1	-0.1	0.0	-37%
<b>Total</b>	<b>10.1</b>	<b>9.3</b>	<b>0.7</b>	<b>40.7</b>	<b>40.8</b>	<b>-0.1</b>	<b>0%</b>

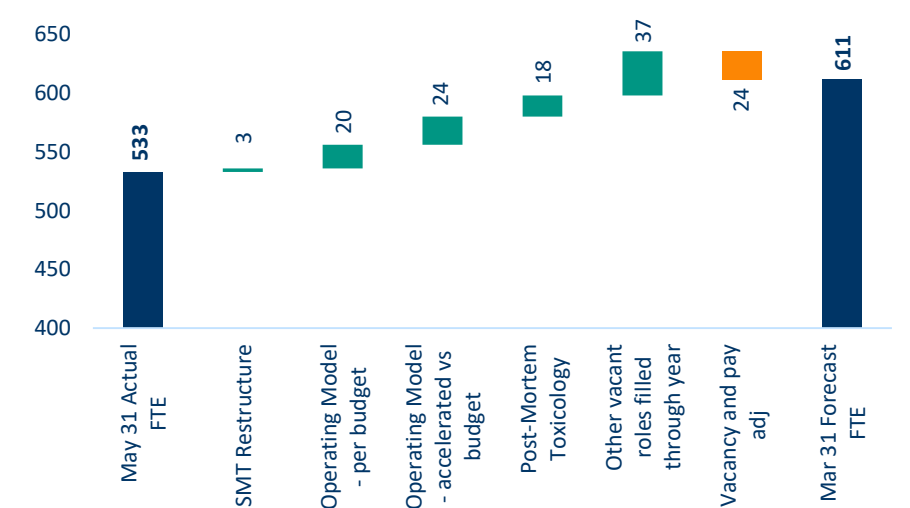
## Q1 Forecast vs Budget (£000)



## Q1 forecast vs Budget by Business Area (£000)



## Q1 Forecast vs Actuals Headcount Growth (FTE)



# Revenue: year to date position

**Overall favourable variance vs budget: £700k**

## Staff costs: £231k under

- headcount slightly under budget in April/June and in line in May but vacancies remaining include more senior roles than average so pay costs under budget

## Non pay budget: £475k under

- Under budget YTD but that includes £200k morbid toxicology outsourcing costs budgeted but not yet incurred – these costs are still expected in year.
- Other underspends include lower than expected spend on logistics, equipment servicing and consumables.

**Income: £23k higher than budget** due to extended secondment of staff

## Year to date & forecast summary (£m)

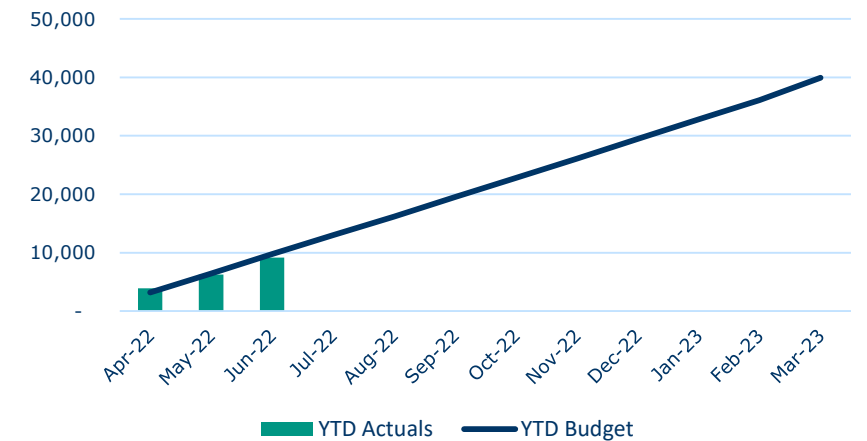
	Year to date			Full year			
	Budget	Actual	Var.	Budget	Forecast	Var.	
	£m	£m	£m	£m	£m	£m	%
Forensic staff	8.4	8.2	0.3	34.1	33.7	0.4	1%
Non-pay	1.7	1.2	0.4	6.7	7.2	-0.5	-7%
Income	-	0.0	-	0.0	0.0	0.0	-37%
<b>Total</b>	<b>10.1</b>	<b>9.3</b>	<b>0.7</b>	<b>40.7</b>	<b>40.8</b>	<b>-0.1</b>	<b>0%</b>

## Q1 forecast funding – FY (£m)

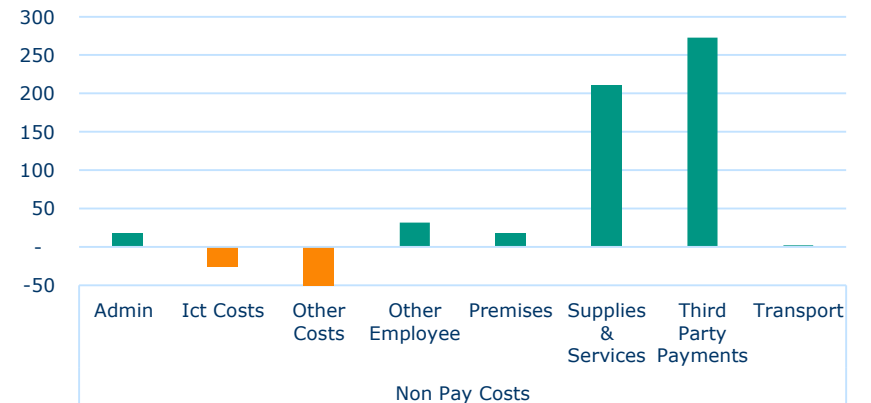
Funding:	Full year			
	Budget	Forecast	Var.	
	£m	£m	£m	%
Grant in aid (core)	38.8	38.4	0.4	1%
Post-mortem tox*	2.4	2.6	-0.2	-7%
Drug driving	0.3	0.7	-0.4	-130%
<b>Total</b>	<b>41.5</b>	<b>41.6</b>	<b>-0.1</b>	<b>0%</b>

*Includes approx. £0.7m Post-mortem tox costs for Police Scotland, e.g. Estates, Digital Division etc.*

## Actual v budget by month (£000)



## Non-pay variance details (£000)



# Project Weaver

## Project Weaver Q1 FC v Budget

- Forensic staff costs up reflecting updated staff mix, offset by other project staff costs being under, reflecting YTD vacancies
- Forensic non pay costs increased reflecting updated consumable spend expected as part of accreditation plus updated equipment maintenance contract spend

## Project Weaver YTD:

- Revenue underspend driven by attrition/vacant roles in the wider project team and timing of outsourcing spend.
- Capital spend slippage from 2021/22 due to delayed availability of new site for installing instruments etc.
- All Weaver funding to be agreed and allocated via Spring Budget Revision so variances do not effect SPA/PS grant-in-aid position
- Scottish Government have been kept updated on updated forecast and funding requirements for 2022/23

## Year to date variance & Q1 forecast (£000)

	Year to date			Full year			
	Budget	Actual	Var.	Budget	Forecast	Var.	
	£000	£000	£000	£000	£000	£000	%
Staff	168	140	28	856	915	-59	-7%
Non-pay	317	161	156	816	1,024	-208	-26%
Police Scotland staff*	118	0	118	348	265	83	24%
Police Scotland non-pay*	92	74	19	375	367	8	2%
<b>Total Revenue</b>	<b>695</b>	<b>375</b>	<b>321</b>	<b>2,395</b>	<b>2,572</b>	<b>-176</b>	<b>-7%</b>
	Year to date			Full year			
	Budget	Actual	Var.	Budget	Forecast	Var.	
	£000	£000	£000	£000	£000	£000	%
Capital*	0	257	-257	0	568	-568	-
<b>Total Capital</b>	<b>0</b>	<b>257</b>	<b>-257</b>	<b>0</b>	<b>568</b>	<b>-568</b>	<b>-</b>

\*Police Scotland and Capital elements of forecast estimated and still to be finalised

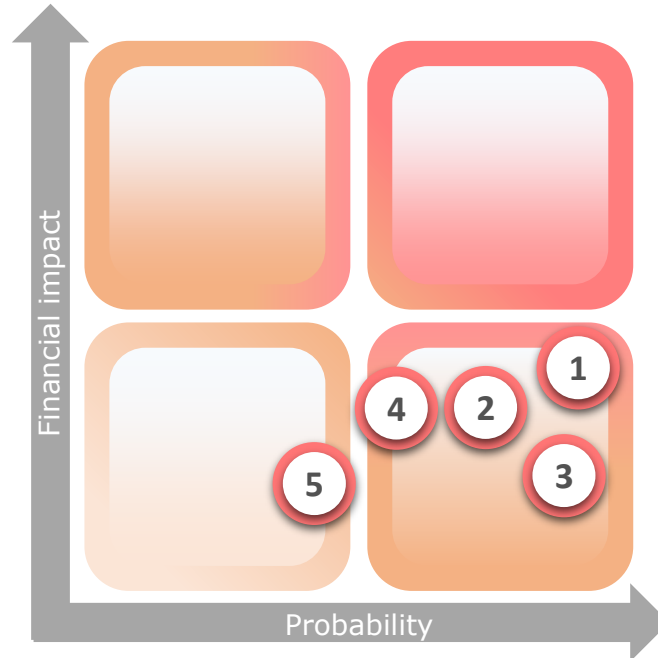


# Risk analysis

The revenue and capital budgets included further risks that may materialise during the year but are not certain enough to be reflected in the financial forecasts.

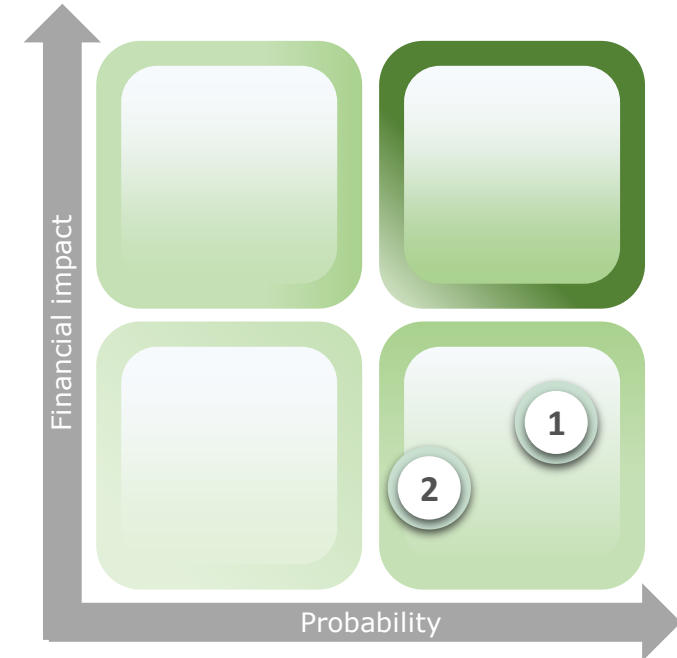
Threats and opportunities will continue to be monitored throughout the year and included in forecasts on the balance of probability

## Threats



1. Drug driving (outsourcing funding from SG agreed but additional internal revenue and capital costs to address capacity possible).
2. For 2023/24 onwards – delay in on boarding new SMT/TOM roles this year will create higher step up in staff costs next year (in context of expected flat cash revenue settlement).
3. Some target operating model roles to be accelerated.
4. Inflation impact through supply chains.
5. Increasing demand for Forensic Services outside of FS control

## Opportunities



1. Target operating model (inc SMT restructure) - rollout has been delayed by consultation which has and will reduce staff costs in year due to timing (with associated risk next year).
2. Review of consumable spend vs budget including impact of new contracts (e.g. DNA Kits).

