

Meeting	Forensic Services Committee
Date	24 October 2022
Location	Video Conference
Title of Paper	Finance Report P5
Presented By	Fiona Douglas, Director of Forensic Services
Recommendation to Members	For Discussion
Appendix Attached	Yes Appendix A – Finance Report P5 2022/23

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 Period 5 (31 August 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 as at P5.

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
- Actual spend to end of P5 is in line for the Q1 forecast for staff with a £300k underspend in non-pay largely driven by timing

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

- 2.2 The Q2 forecast and an update on the 2023/24 budget will be presented to the Forensic Services Committee in December, with the overall Q2 forecast for SPA (including Forensics) being presented to Resources Committee in November.

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

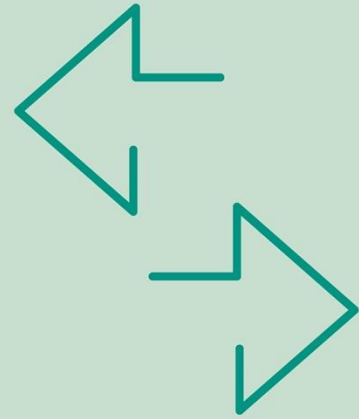
- 10.1 There are no direct environmental implications associated with this paper.

RECOMMENDATIONS

Members are invited to discuss the year to date financial performance for Forensic Services.

Finance Report

P5 (September) 2022/23



FORENSIC SERVICES

SCOTTISH POLICE
AUTHORITY

Summary

Revenue

A	G	G
Jun	Jul	Aug

- Year to date revenue spend 2% **lower** than Q1 forecast driven by timing of outsourced testing spend
- Staff costs in line with Q1 forecast, headcount down slightly in P5
- Income up on extended staff secondment

Capital

G	G	G
Jun	Jul	Aug

- Year to date spend behind budget but material spend not expected until Q3/Q4.

Projects/Reform

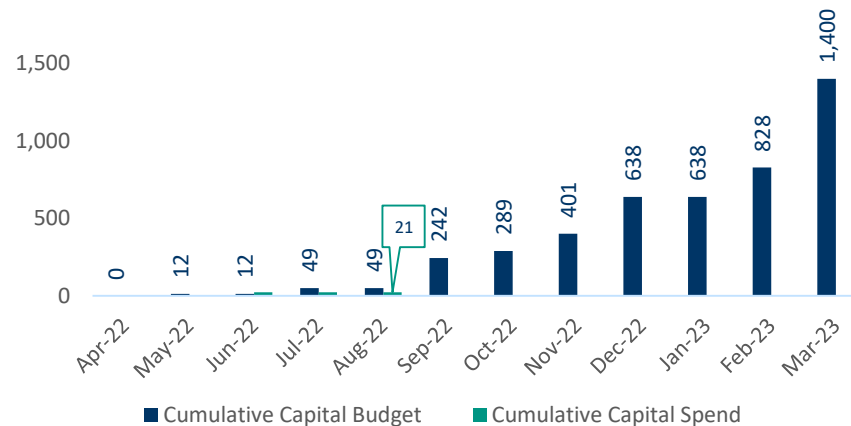
G	A	A
Jun	Jul	Aug

- Project Weaver – YTD revenue spend **above** Q1 forecast on some costs not being forecast against project code (£140k). Underlying underspend £40k due to timing of outsourcing (£130k) offset in part by higher staff secondment cost (£40k) and higher other non-pay scientific costs (£50k)
- Reform spend **in line** with Q1 FC

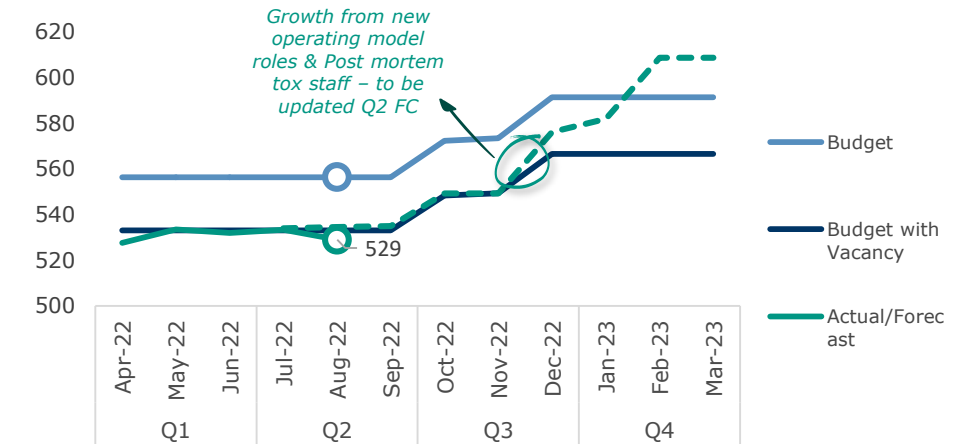
Revenue variance (£000)

	YTD actual v forecast	FY forecast v budget
Staff	11	246
Non-Pay	326	-329
Income	41	23
Total	377	-60

BAU Capital spend (£000)



Staff headcount (FTE)



Project Dashboard (£000)

Project	Revenue YTD actual vs Q1 FC	Reform YTD actual vs Q1 FC	Capital YTD actual vs Q1 FC
Project Weaver	(95)	0	225
Forensics Transformation	0	(1)	0
Forensic COS	0	0	0
Total	(95)	(1)	225

Revenue: year to date position

Overall favourable variance vs Q1 FC: £377k

Staff costs: £10k under Q1 FC

- headcount has been close to budgeted level through year but vacancies have been for more senior roles than average so pay costs under budget

Non pay costs: £326k under Q1 FC

- Under Q1 FC YTD but that includes £130k morbid toxicology outsourcing costs budgeted but not yet incurred – these costs are still expected in year.
- Other underspends include lower than expected spend to date on drug driving outsourcing and consumables – higher spend later in year expected.

Income: £41k higher than Q1 FC due to extended secondment of staff

Year to date & forecast summary (£m)

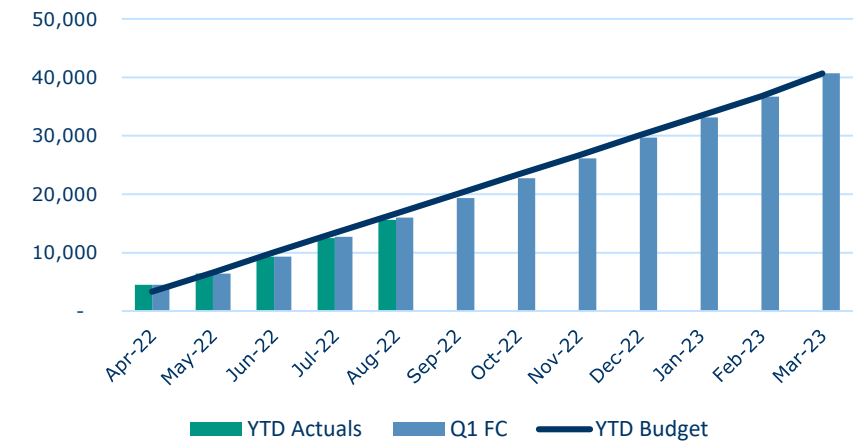
	Year to date			Full year			
	Q1 FC	Actual	Var.	Budget	Q1 FC	Var.	
	£m	£m	£m	£m	£m	£m	%
Forensic staff	13.6	13.6	0.0	34.1	33.8	0.2	1%
Non-pay	2.4	2.1	0.3	6.7	7.1	-0.3	-5%
Income	- 0.0	- 0.1	0.0	-0.1	-0.1	0.0	-37%
Total	16.0	15.6	0.4	40.7	40.8	-0.1	0%

Q1 forecast funding – FY (£m)

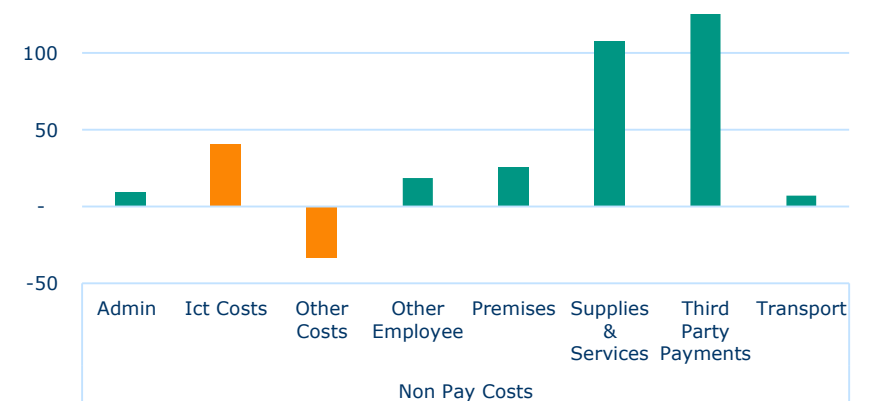
	Full year			
	Budget	Forecast	Var.	
	£m	£m	£m	%
Funding:				
Grant in aid (core)	38.8	38.4	0.4	1%
Post-mortem tox*	2.4	2.6	-0.2	-7%
Drug driving	0.3	0.7	-0.4	-130%
Total	41.5	41.6	-0.1	0%

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

Actual v budget/forecast by month (£000)



Non-pay variance details (vs Q1 FC, £000)



Revenue: analysis by area

Biology

- 3% under Q1 FC on consumable spend

Headquarters

- System support posts aligned to Business Support while budgeted in HQ.

Physical Science

- Pay overspend on higher overtime/allowances required
- Non pay underspend reflects timing of outsourced drug driving spend

Quality & Business Support

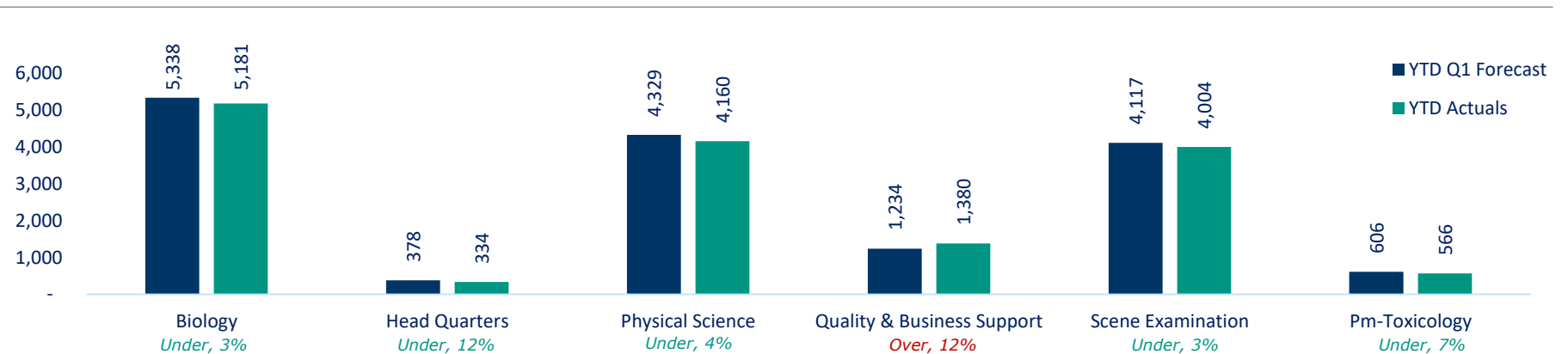
- Pay overspend due to system support roles budgeted in HQ, sitting in business support
- Non pay overspend reflects logistics costs being 30% higher than budgeted – total contract award (in March 2022) was higher than budget and actual spend has reflected this. Q2 forecast to be updated.

Scene examination:

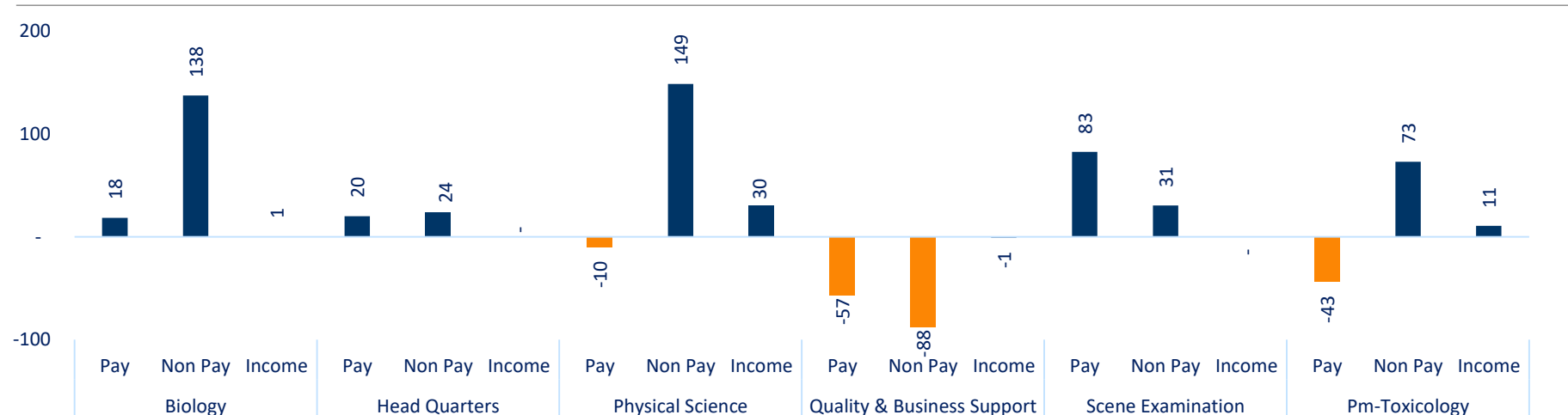
- Pay under due to vacant roles.
- Non pay lower on timing of training and lower consumable spend

Post-mortem toxicology – see Project Weaver section in next slide

Year to date: actual v Q1 forecast by area (£000)



Year to date: variance v budget by area & spend type (£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 Act vs Q1 FC:

- Revenue overspend driven by some costs not forecast against project though included in overall forecast, offset by 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 grant-in-aid
- Scottish Government have been kept updated on updated forecast and funding requirements for 2022/23 and 2023/24

Year to date variance & Q1 forecast (£000)

	Year to date			Full year			
	Q1 FC	Actual	Var.	Budget	Forecast	Var.	
	£000	£000	£000	£000	£000	£000	%
Forensic staff	207	250	(43)	856	915	(59)	-7%
Forensic non-pay	400	316	84	816	1,024	(208)	-26%
Other staff	0	33	(33)	348	265	83	24%
Other non-pay	(0)	112	(112)	375	367	8	2%
Total Revenue	606	711	(105)	2,395	2,572	(176)	(0)

	Year to date			Full year			
	Q1 FC	Actual	Var.	Budget	Forecast	Var.	
	£000	£000	£000	£000	£000	£000	%
Capital	533	309	224	0	613	(613)	0
Total Capital	533	309	224	0	613	(613)	0

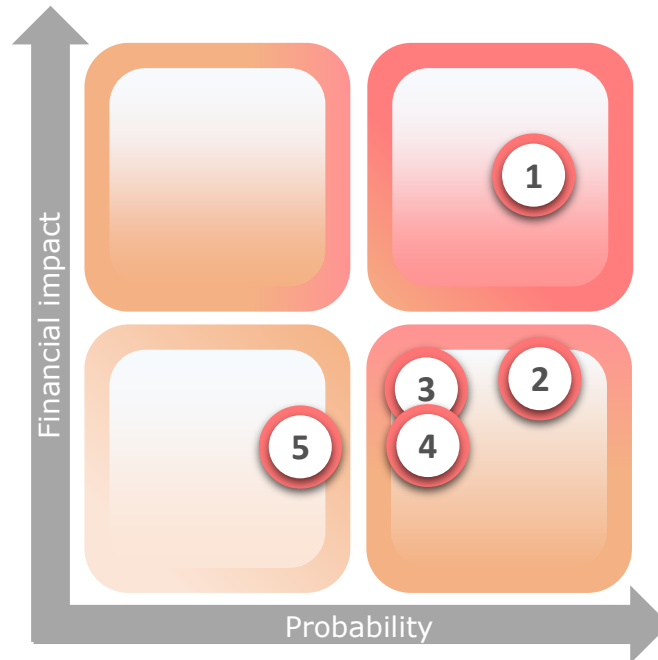
Risk analysis

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

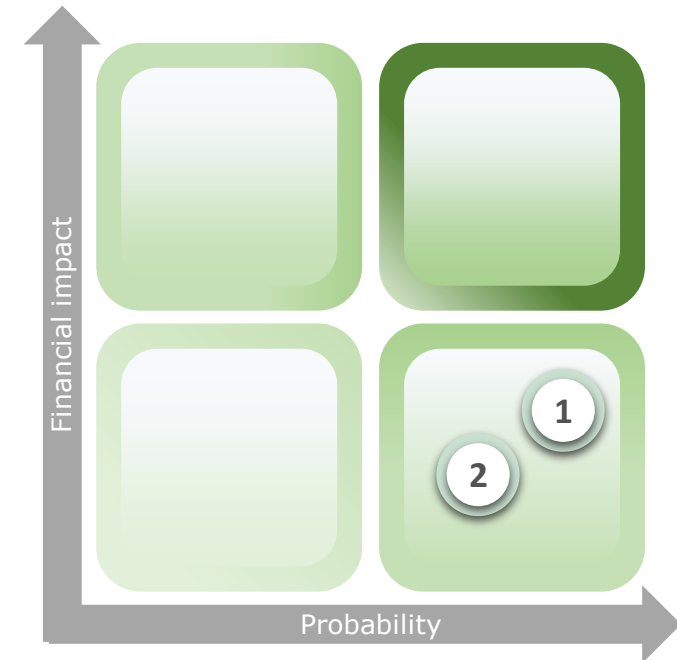
The overarching financial risk is the ability to sustain the service over the longer term given funding implications from the May 2022 Scottish Government Resource Spending Review

Threats

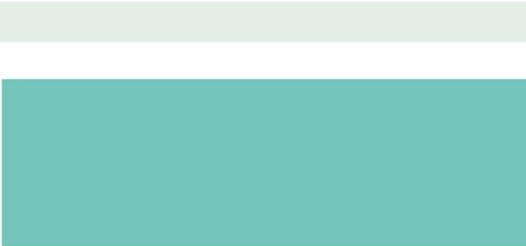


1. The 2023/24 estimated budget settlement, in context of expected flat cash, means that new operating model roles are not affordable in longer term
2. Drug driving - outsourcing funding from SG agreed but additional internal costs possible.
3. HMICS toxicology review – direct/indirect costs arising not forecast
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
2. Review of consumable spend vs budget including impact of new contracts (e.g. DNA Kits)



Appendix : Q1 revenue forecast

Overall increase in spend forecast vs budget +£60k

Staff costs £372k lower than budget

- year to date vacancy of senior/SMT 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)

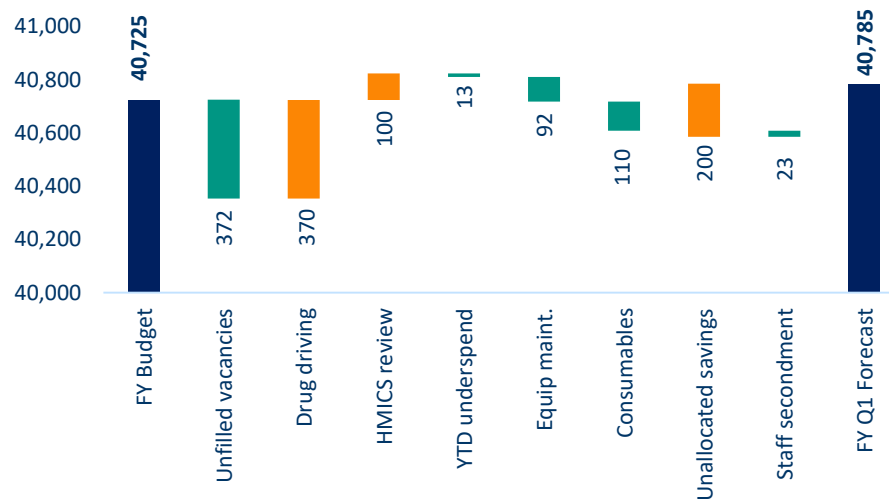
Income higher than budget +£23k

- due to extended secondment of staff

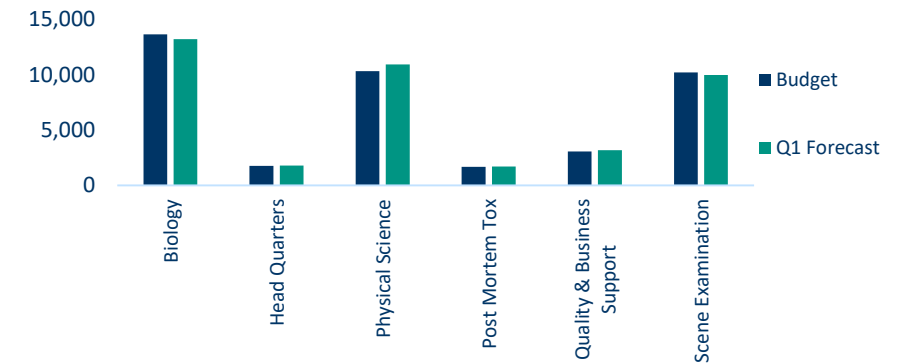
Year to date & forecast summary (£m)

	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	0.0	0.0	-37%
Total	10.1	9.3	0.7	40.7	40.8	-0.1	0%

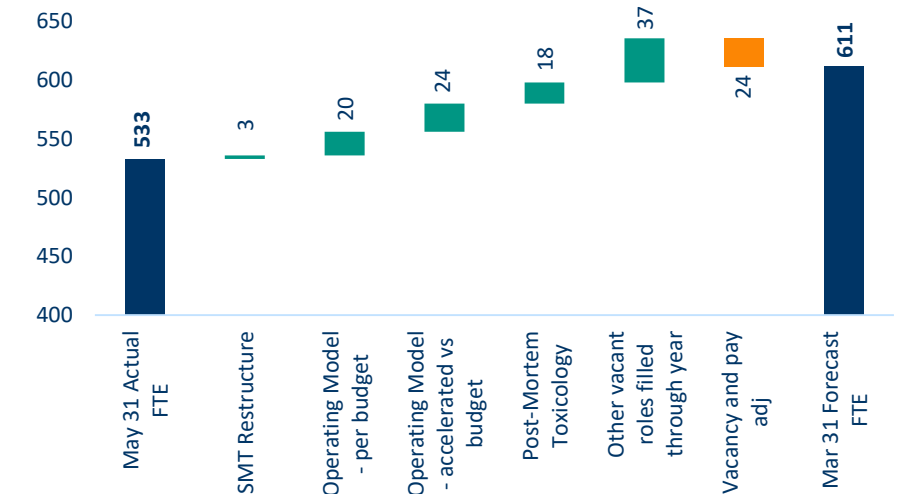
Q1 Forecast vs Budget (£000)



Q1 forecast vs Budget by Business Area (£000)

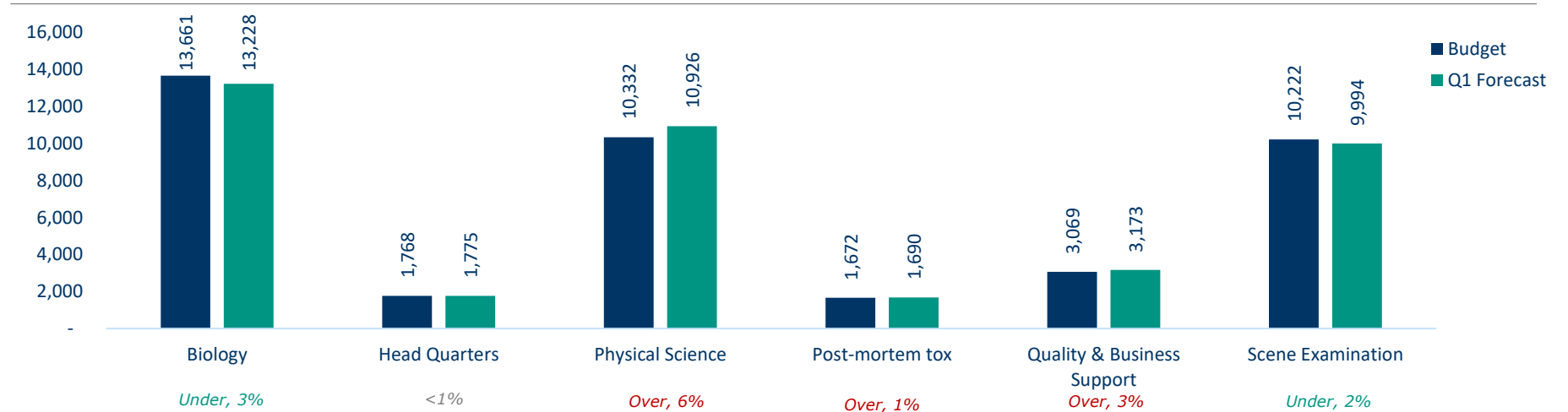


Q1 Forecast vs Actuals Headcount Growth (FTE)

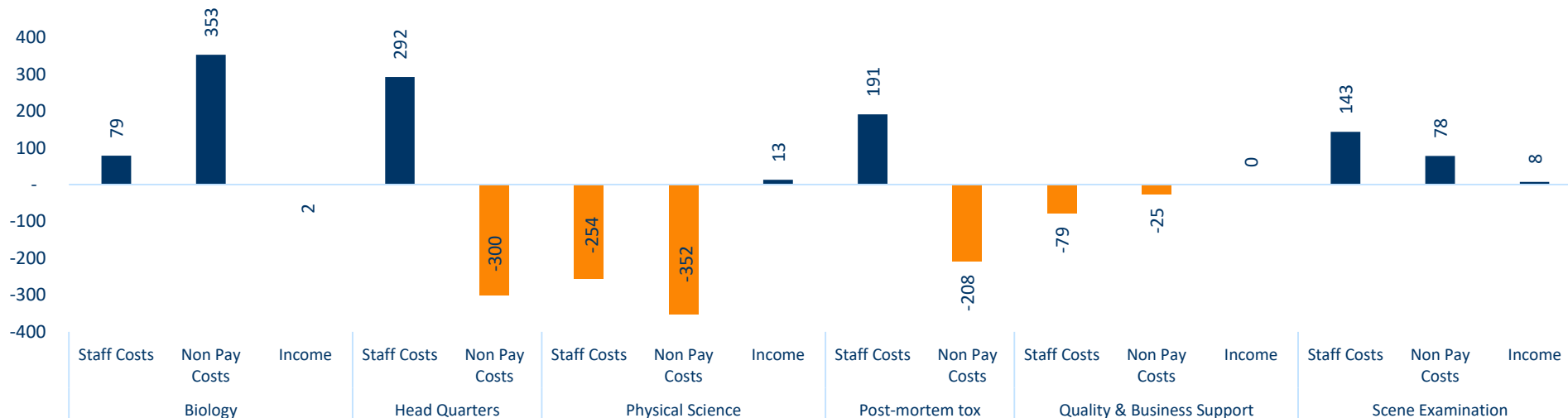


Appendix: Q1 forecast by area

Q1 forecast v budget by area (£000)



Q1 forecast v budget variance by area & spend type (£000)



Biology

- Non-pay lower on reduced equipment maintenance and consumables spend
- Pay lower than budget due to fewer overtime hours and higher vacancies YTD

Headquarters

- Overall net flat but includes release of £200k budgeted spend challenge and increase of £100k of HMICS costs offset by pay savings from timing of SMT restructure

Physical Science

- Increase in outsourcing and associated HMICS plus acceleration of new toxicology roles and increase in overtime – all largely to support drug driving

Quality & Business Support

- Pay overspend due to system support roles budgeted in HQ, still sitting in business

Scene examination:

- Pay under due to vacant roles.
- Non pay lower on timing of training and lower consumable spend

Post-mortem toxicology: see Project Weaver