



<b>Meeting</b>	<b>Forensic Services Committee</b>
<b>Date</b>	<b>10 August 2023</b>
<b>Location</b>	<b>By video conference</b>
<b>Title of Paper</b>	<b>Q1 Finance Report</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 – Appendix A – Finance Report Q1 2023/24</b>

## PURPOSE

To provide Members with an update on the financial position of Forensic Services for quarter one (three months ending 30 June 2023) of the financial year 2023/24, as well as forecasting the full outturn to the year end.

*The paper is presented in line with the corporate governance framework of the Scottish Police Authority (SPA) and Forensic Services Committee (FSC) terms of reference and is submitted for consultation.*

## 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 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.

### **Revenue**

- Q1 forecast is break even. Costs are overall higher than budgeted, offset by additional Scottish Government funding for drug driving outsourcing.

### **Capital**

- Capital spend year to date is in line with budget, however, the Q1 forecast is a £0.3m (16%) underspend.
- This forecast underspend is driven by slippage in projects and spend that is no longer required.

### **Reform**

- Overall £0.4m forecast under budget. The service is also exploring seeking external support for the COS project which may reduce this forecast underspend.

## 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 asked to note the year to date and forecast financial position for Forensic Services.



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**AUTHORITY**  
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# SPA Forensic Services

## Finance Report

Quarter 1: 2023/24



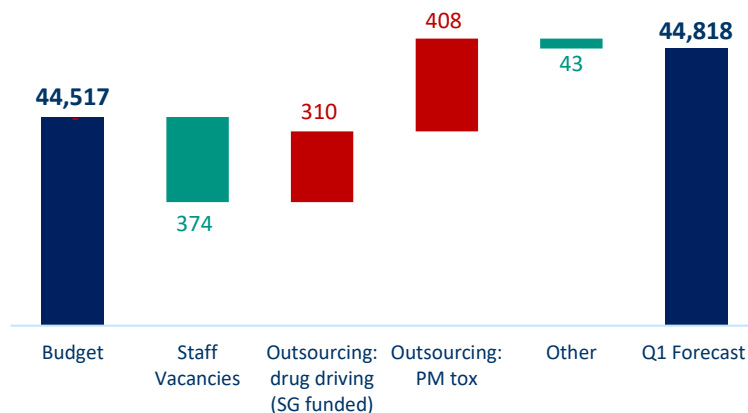
## Summary

Revenue:	G	A	A	Break even forecast
	Apr	May	Jun	
Capital:	G	A	A	£0.3m / 16% Under Forecast
	Apr	May	Jun	
Projects:	G	A	A	£0.4m / 36% Under Forecast
	Apr	May	Jun	

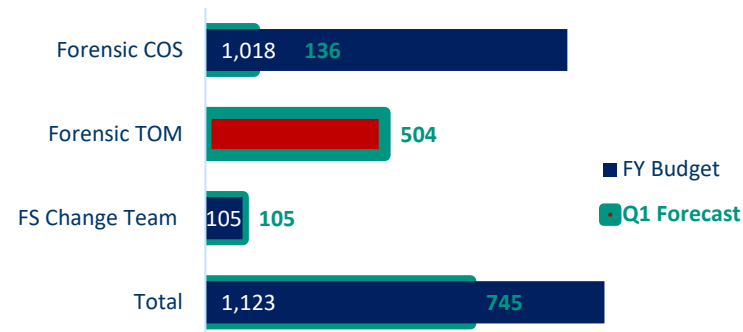
## Capital

- Year to date spend: £0.2m
  - Broadly in line with expected spend profile
- Full year budget: £1.8m; Q1 forecast: £1.5m.
- Forecast £0.3m (16%) underspend.
  - Due mainly to:
    - metal disposition machinery (£0.15m – not required in the current year). Equipment replacement was expected; however, the supplier was able to service and extend the equipment's life; and
    - ident1 configuration work (£0.15m), slipped to 2024/25. Delays are being caused the supplier and FS is continuing to put pressure on them to deliver this upgrade.
  - This underspend will be used towards the overall SPA slippage management target.

## Revenue forecast (£000)



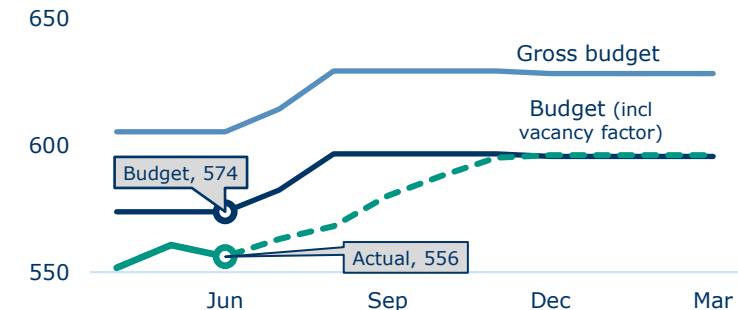
## Projects (Forecast, £000)



- Overall project spend **£0.4m forecast under budget**. Some realignment of budgets is required as plans have evolved since budget setting.
  - COS project (£0.8m under) – FS are now proposing to seek external support to progress delivery of this project.
  - TOM project (£0.5m over) – now being supported by internal PS change resources not original anticipated.

## Staff Headcount (FTE)

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



## Issues, Threats & Opportunities



**Issue:** Post Mortem Toxicology outsourcing costs (£0.4m) – not in budget and still being incurred. Target to end by August 2023.



**Threat:** Overtime 41% over budget (albeit offset by higher vacancies in overall staff line).

**Threat:** Actual TOM project resources.



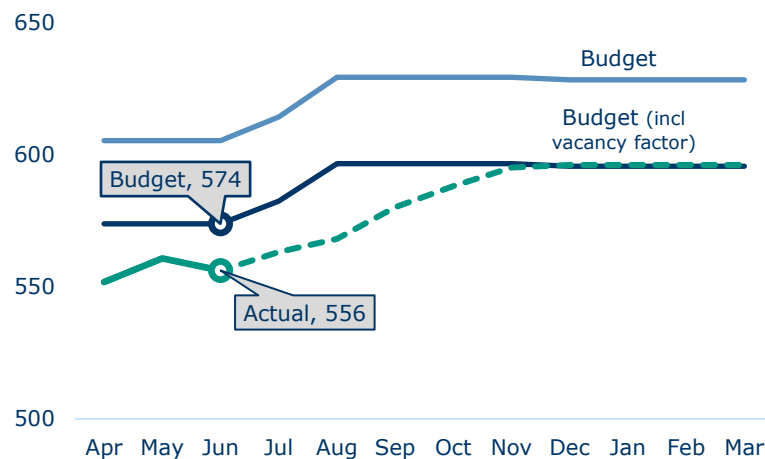
**Opportunity:** Review of equipment maintenance costs to identify any terminated agreements no longer required.

## Summary

	Year to date			Full Year			
	Budget £m	Actual £m	Var £m	Budget £m	Forecast £m	Var £m	%
Staff	9.5	9.4	0.1	39.1	38.7	0.4	1.0%
Non-pay	1.4	1.6	(0.2)	5.5	6.2	(0.7)	12.7%
Income	0.0	0.0	0.0	-0.1	-0.1	0.0	-
<b>Total</b>	<b>10.9</b>	<b>11.0</b>	<b>(0.1)</b>	<b>44.5</b>	<b>44.8</b>	<b>(0.3)</b>	<b>0.7%</b>
Base funding				44.5	44.5	0.0	-
Additional SG funding for drug driving outsourcing				0.0	0.3	0.3	100%
<b>Total Funding</b>				<b>44.5</b>	<b>44.8</b>	<b>0.3</b>	<b>0.7%</b>

- 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**.

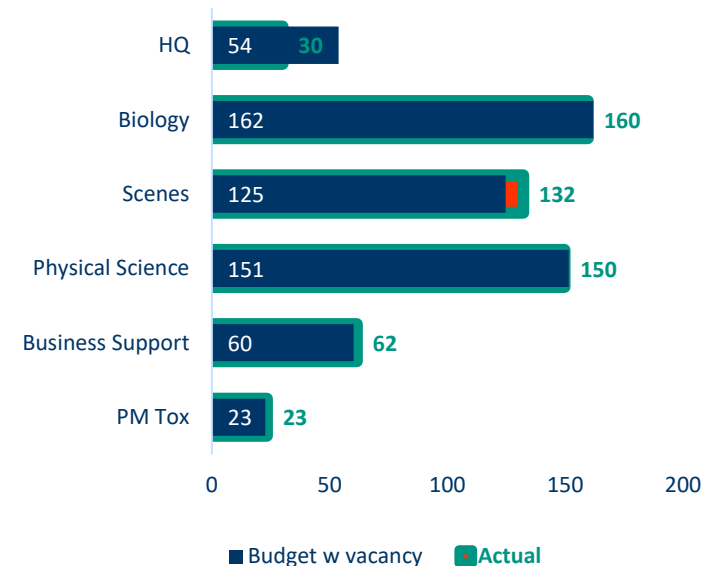
## Staff Headcount (FTE)



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.

## Staff Headcount by Function (FTE)



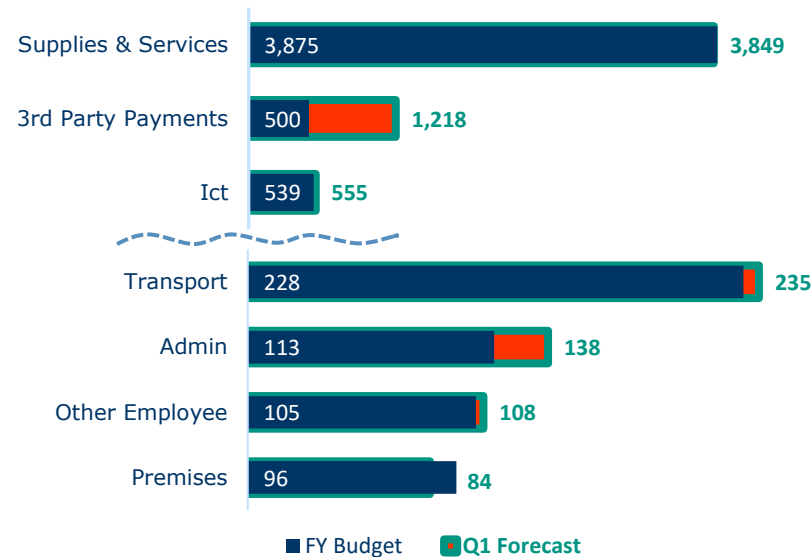
- The approved budget included new posts as part of the new forensics operating model. These posts have been phased across the year as shown in the graph on the left.
- For budgeting purposes the growth posts have been retained within HQ, however, the actual new posts are across the service creating 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

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Staff	9.5	9.4	0.1	39.1	38.7	0.4	1.0%
Non-pay	1.4	1.6	(0.2)	5.5	6.2	(0.7)	12.7%
Income	0.0	0.0	0.0	-0.1	-0.1	0.0	-
<b>Total</b>	<b>10.9</b>	<b>11.0</b>	<b>(0.1)</b>	<b>44.5</b>	<b>44.8</b>	<b>(0.3)</b>	<b>0.7%</b>
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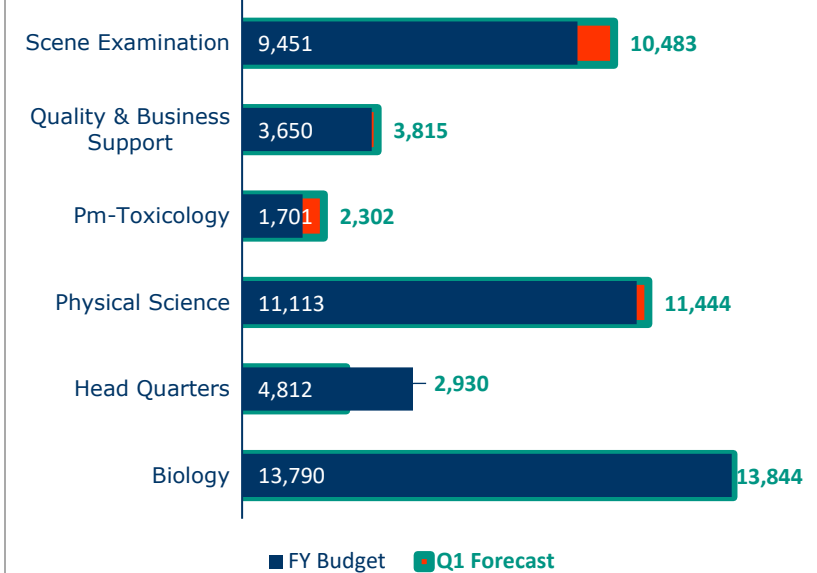
- The net costs are forecast to be £0.3m higher than the original budget, however, this is being funded by £0.3m of additional SG funding.
- Removing the impact of the additional funding and its associated spend, the underspend on staff cost offsets the additional PM tox outsourcing overspend.
- The overall forecast is a **break even budget position**.

## Non-Pay Expenditure (Forecast, £000)



- Third party payments forecast £0.7m overspend. This is related to:
  - Post mortem toxicology outsourcing costs (£0.384m overspend). This was not included in the budget. Due to delays in the completion of the lab fitout there were knock-on delays to methods development. With a fixed transfer date of the service to the SPA, FS has outsourced some cases to allow staff to progress methods development work. This is expected to be completed with outsourcing ending in August 2023. This cost will not be recurring.
  - Drug driving outsourcing (£0.310m agreed to be funded by SG but not in the original budget).

## Revenue Spend By Function (Forecast, £000)



- There are large variances between functions due to the budgeting of the new structure posts. Forensics SCOPE and finance reports needs to be revised to reflect the new structure. Budgeting temporarily placed the budget for the growth posts in HQ. This has created a underspend in HQ (£1.9m) and corresponding overspends across other areas, primarily scene examination (£1.1m) related to staffing. This will be revised as soon as possible.
- There are real variances within physical science (£0.310m) related to drug driving outsourcing and within PM toxicology (£0.384m) related to toxicology outsourcing.

Efficiency	Detail	FY Value £000	YTD Value £000	YTD Delivered £000	Deliverability RAG Status
Y-STR	DNA testing process improvements (savings phased in the second half of 2023/24)	70	0	0	●
PCR Volumes	DNA testing process improvements (savings phased in the second half of 2023/24)	60	0	0	●
Overtime	Reduction in overtime	50	8	0	●
Logistics	Reduction in 3rd party logistics spend	60	10	0	●
Income Generation	Additional income vs 2022/23 budget baseline	50	8	0	●
Duty Manager Consolidation	Reduce on call costs	15	3	0	●
Forensic Examiner Rota	Reduce on call costs	30	5	0	●
Training	Reduce 3rd party training spend	40	7	5	●
Business Support Consumables	Reduction in consumable spend	12	2	2	●
PM Tox transition costs	6 month delay in transitional PM tox costs	120	5	40	●
DNA 4 Site to 2 Site	Consolidate DNA testing	20	3	3	●
Operational Kits	Reduce expenditure on consumables	15	3	10	●
<b>TOTAL</b>		<b>542</b>	<b>54</b>	<b>60</b>	

- 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.
- This partially funds the operating model growth as well as other budget pressures. Achievements of these savings is key to achievement a balanced budget.
- The table highlights progress on the agreed efficiency savings. In the year to date, the service is overall on track with the efficiency's plans, however, the majority of savings still require to be realised and are phased in the rest of the year.
  - The two 'black' RAD savings initiatives have not yet started.
  - There remains a numbers of 'red/amber' rates efficiencies where savings have not been realised to date.