



Meeting	Forensic Services Committee
Date	30th October 2023
Location	By video conference
Title of Paper	Q2 Finance Report
Presented By	Fiona Douglas, Director of Forensic Services
Recommendation to Members	For Discussion
Appendix Attached	Yes – Appendix A – Finance Report Q2 2023/24

PURPOSE

To provide Members with an update on the financial position of Forensic Services for quarter two (three months ending 30 September 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 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.

Revenue

- Q2 forecast is £0.4m under budget. Costs are lower due to staff recruitment falling behind budgeted figures.

Capital

- Capital spend year to date is behind budget. The Q2 forecast is a £0.8m (44%) 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 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.



SCOTTISH POLICE
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SPA Forensic Services

Finance Report
Quarter 2: 2023/24



Summary

Revenue:	A	A	A	In line with forecast
	Jul	Aug	Sep	
Capital:	A	A	A	In line with forecast
	Jul	Aug	Sep	
Projects:	A	A	A	In line with forecast
	Jul	Aug	Sep	

Capital

Year to date spend: £0.3m

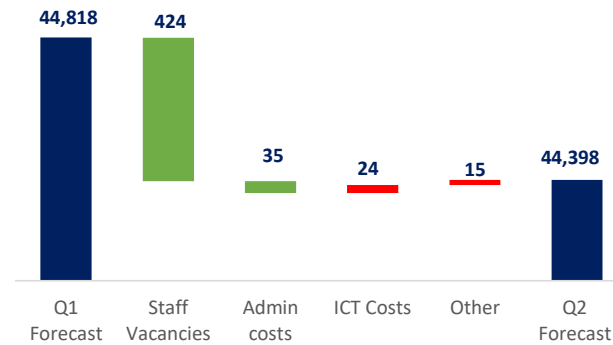
- Broadly in line with expected spend profile.

Q1 forecast - £1.5m;

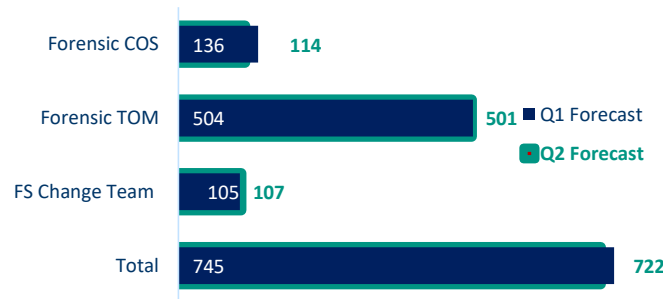
Q2 forecast - £1.0m/ £0.5m (33%) underspend

- Due mainly to:
 - Crimelights equipment (£140k), Toughbook laptops replacement (£300k), tier 1 data protection system (£200k) not required in the current year. Additionally, the Fire investigation training facility was delivered in 2022/23 (£30k).
- Offset by replacement capital bids:
 - Superglue Cabinet (£20k), DCS5 (£50k), MS detectors for HPLCs (£80k) and a green laser (£20k).
- This underspend will be used towards the overall SPA/ PS slippage management target.

Revenue Forecast (£000)



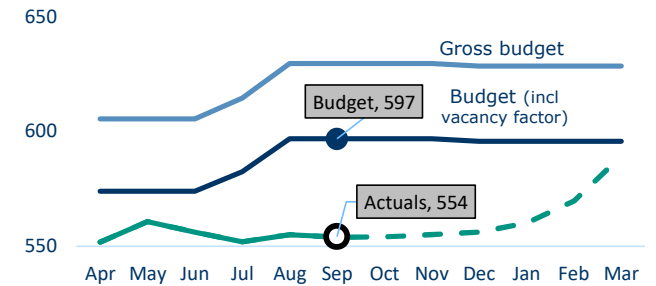
Projects (Forecast, £000)



- Overall Q2 forecasted project spend is in line with Q1 forecast.
- Full year spend is expected to be £722k with £397k (55%) expected to be spent in the second half of the 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 now slightly behind target with most efficiency savings planned in last six months of the year. Focus on this ahead of budget pressures for 2024/25.



Issue: PM tox exceeding weekly case capacity leading to pressures in overtime and consumables over the coming months.

Threat: Overtime 5% over budget (albeit offset by higher vacancies in overall staff line).



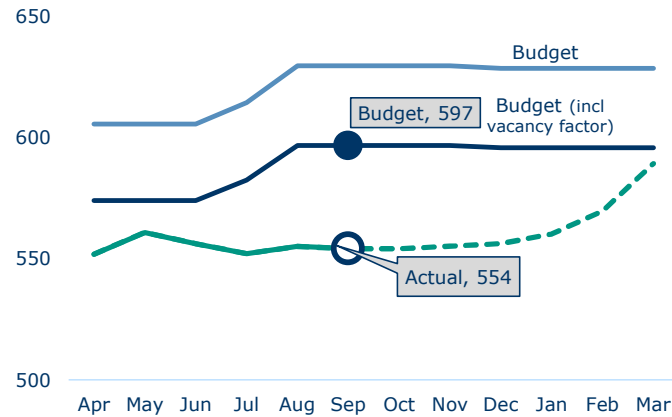
Opportunity: Review of equipment maintenance costs to identify any terminated agreements no longer required.

Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q2 FC	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	19.1	18.4	0.7	3.6%	39.0	37.9	1.1	2.8%
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	0.9%

- 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**.

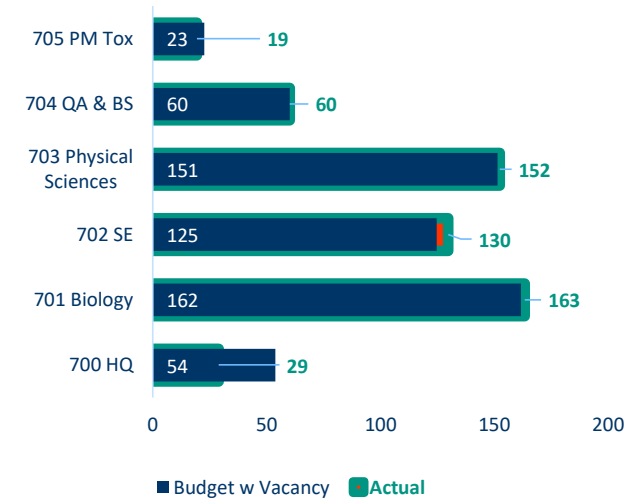
Staff Headcount (FTE)



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.

Staff Headcount by Function (FTE)



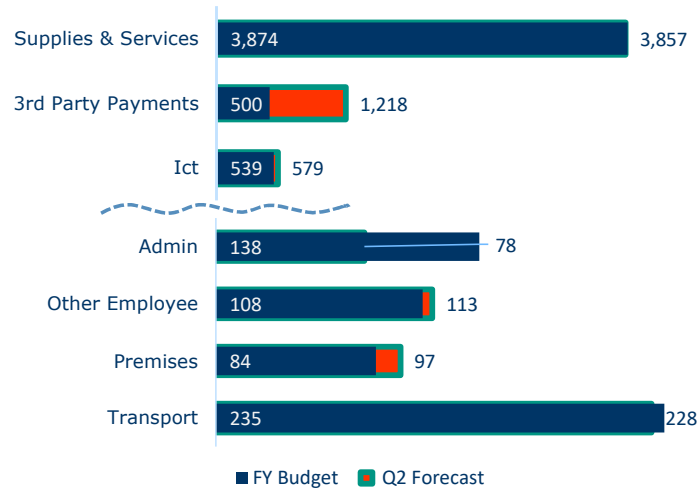
- The approved budget included new posts as part of the new forensics operating model. These posts have been phased across the year as shown in the graph on the left.
- For budgeting purposes the growth posts have been retained within HQ, however, the actual new posts are across the service creating 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				Full Year			
	Budget	Actual	Var		Budget	Q2 FC	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	19.1	18.4	0.7	3.6%	39.0	37.9	1.1	2.8%
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	0.9%

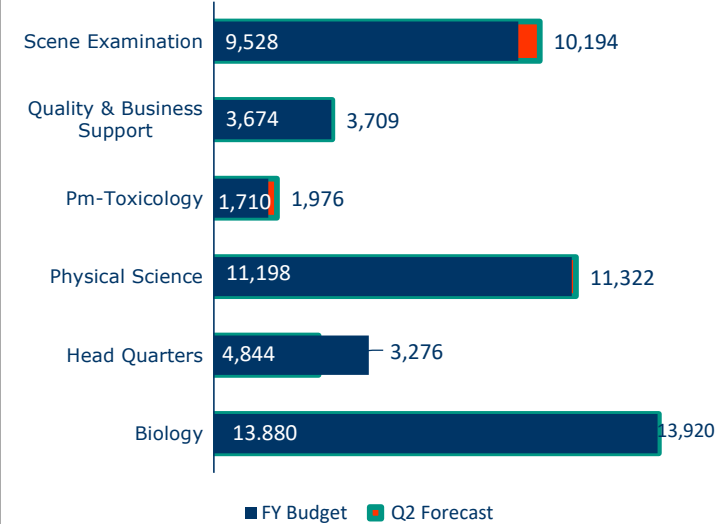
- The year-to-date actual spend is in line with budget.
- Over the year spend is forecasted to fall behind budget by **£0.4m**. This is due to recruitment taking longer than budgeted.
- The overall forecast at Q2 was an **underspent budget position**.
- Nevertheless, efficiencies are needed to be made (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.

Non-Pay Expenditure YTD (Forecast, £000)



- Third party payments Q2 forecast £0.7m overspend. This is related to:
 - Postmortem toxicology outsourcing costs. 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 was completed with outsourcing ending in August 2023. This cost will not be recurring.
 - Admin costs including printing, stationery and postage have been reduced based on a run rate of p1 to p6 actuals.

Revenue Spend By Function YTD (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 an underspend in HQ (£1.6m) and corresponding overspends across other areas, primarily scene examination (£0.7m) related to staffing. This will be revised as soon as possible.
- Most of the forecasted underspend of £0.4m is staffing related as the op model plan has taken longer to recruit to. Non-pay variances slightly offset this and they relate to physical science (£0.310m) related to drug driving outsourcing and within PM toxicology (£0.384m) related to toxicology outsourcing. Funding of £300k has been provided for drug driving which is incorporated into the Q2 forecast.

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	35	0	●
PCR Volumes	DNA testing process improvements - second half 23/25	60	30	0	●
Overtime	Reduction in overtime	50	25	0	●
Logistics	Reduction in 3rd party logistics spend	60	30	0	●
Forensic Examiner Rota *	Reduce on call staff	30	15	0	●
Training *	Reduce 3rd party training spend	40	20	0	●
Income Generation	Earn additional income vs 2022/23 budget baseline	50	25	13	●
Business Support Consumables	Reduction in consumable spend	12	6	0	●
Duty Manager Consolidation	Reduce on call staff	15	8	15	●
T&C Harmonization	6 month delay in additional costs from Post Mortem Tox staff transferring to SPRM	120	60	60	●
DNA 4 Site to 2 Site	Consolidate DNA testing into 2 locations	20	10	70	●
Operational Kits	Reduce expenditure on consumables	15	8	31	●
TOTAL		542	271	189	

- 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 (£82k /30%), however, the majority of savings still require to be realised and are phased in the rest of the year.
- 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.
- Training costs are unlikely to be 100% achieved in 2023/24 due to difficulties in finding suitable cost-effective outside training areas for scene examination. For 2024/25 it is likely with forward planning that the fully efficiency will be achieved.
- The forensic examiner rota efficiency is unlikely to be fully achieved in 2023/24 as the rota has only been adjusted mid-year. However, only 67% recurring efficiency of the £30k saving likely to occur for 2024/25.
 - 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.

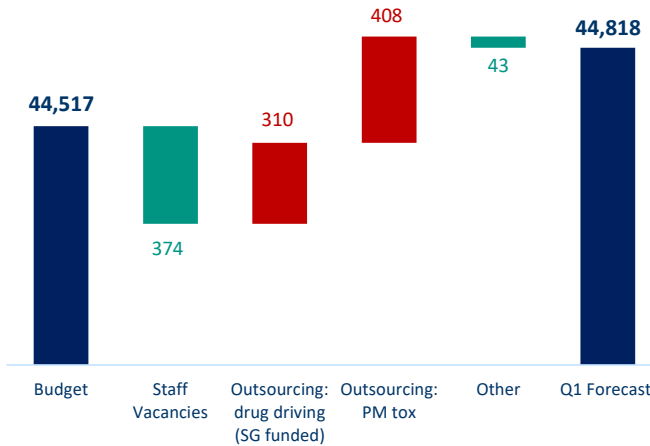
* Will not be fully achieved in 2023/24.

Summary Q1 Forecast

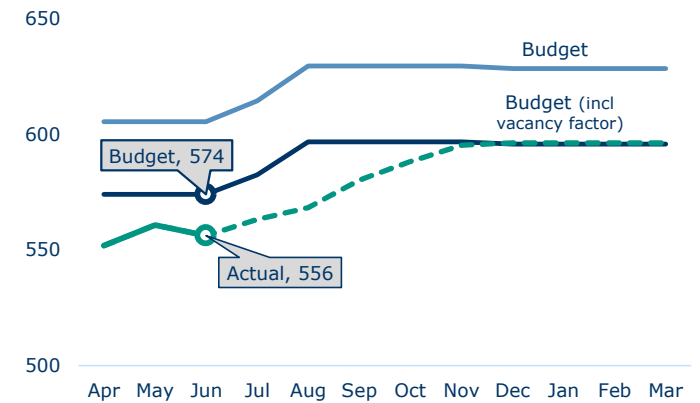
	Full Year			
	Budget £m	Forecast £m	Var £m	%
Staff	39.1	38.7	0.4	1.0%
Non-pay	5.5	6.2	(0.7)	12.7%
Income	-0.1	-0.1	0.0	-
Total	44.5	44.8	(0.3)	0.7%
Base funding	44.5	44.5	0.0	-
Additional SG funding for drug driving outsourcing	0.0	0.3	0.3	100%
Total Funding	44.5	44.8	0.3	0.7%

- 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.