



SCOTTISH POLICE
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ÙGH DARRAS POILIS NA H-ALBA

Agenda Item 3.4

Meeting	Forensic Services Committee
Date	8th May 2025
Location	Webex
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 2024/25

PURPOSE

The purpose of this report is to provide Members with an update on the financial position of Forensic Services for Period 11 (28 February 2025) of the financial year 2024/25.

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 2024/25 for the Authority and Police Scotland on 13 March 2024.
- 1.2 Forensic Services' agreed allocation was a revenue budget of £44.0 million, capital spend of £1.3 million and reform budget of £1.2m to support transformational change.

2 FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 **Appendix A** provides the detailed finance report.

Revenue

- YTD forecast vs Actuals at P11 showed that Forensic Services was underspent by £0.6m. However, at Q3 forecast pressures of circa £300K over Budget were identified.
- As January closed the gap narrowed to £170k.
- February then closed that gap further to £12k overspent to budget.
- Finance are still confident with the plans in place to deliver a balanced budget come year end. As can be evidenced by the improving position since Q3 forecast.
- Senior Leadership Teams have committed to deliver full year spend within their budgeted funding allocation.

Capital

- Full year forecast is a spend of £0.8m which is an (20%) underspend versus the full year budget of £1m.
- Forecasted underspends are driven by several projects which has now been pushed into 2025/26 for delivery.
- Actual spend to end of period eleven (end of February 2025) was £200k. This is £200k behind a year-to-date budget of £0.4m.
- With only the last remaining month of the financial year left Forensic Services is forecasted to now spend only £600k of its original £1m budget.

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. The report highlights that staff numbers are below budget.

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 and note the report.



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**FORENSIC
SERVICES**

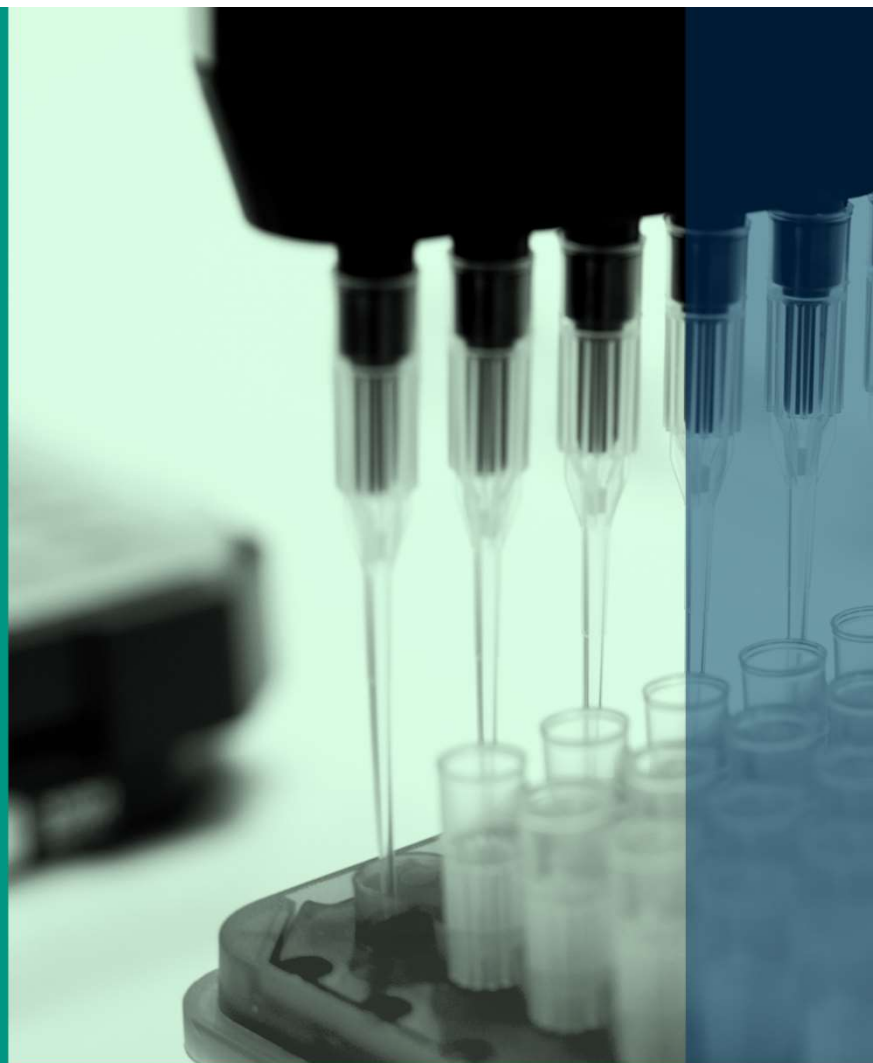
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SPA Forensic Services

Finance Report

Period 11 (February)

2024/25



Summary

Revenue:

G	A	A
Dec	Jan	Feb

Overspend forecast

Capital:

G	G	G
Dec	Jan	Feb

Underspend forecast

Projects:

G	G	G
Dec	Jan	Feb

Underspend forecast

An additional forecast has been compiled (see slide 5) in February which still predicts a small overspend for Forensics in 2024/25.

BAU Capital

Year to date (period 11)

- £0.8m/80% underspent YTD budget vs actuals
- £0.2m/18% underspent YTD forecast vs actuals

Full year forecast (at Q3)

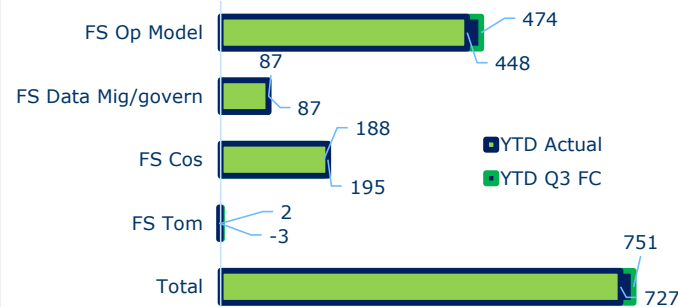
- Underspent**
Q3 forecast: £0.8m
Full year budget: £1m
Looking forward spend is mostly anticipated in March 2025
 - The forecast has reduced in Q3 due to projects being pushed into next financial year. As year end is approaching capital spend is forecasted to be circa 600k come year end. Several projects have been pushed into next financial year due to longer lead time than expected.

Revenue Summary

Q3 forecast is an overspend of £300k to budget. With spend looking overspent it is key that focus is kept on delivering full year spend within the budgeted funding available.

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q3 FC	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	35.9	35.0	0.9	2.5	39.2	38.3	0.9	2.3
Non-pay	5.1	5.6	-0.5	9.8	5.6	6.7	-1.1	19.6
Income	-0.1	-0.1	-	-	-0.1	-0.1	-	-
Total	40.9	40.5	0.4	1	44.7	44.9	-0.2	-

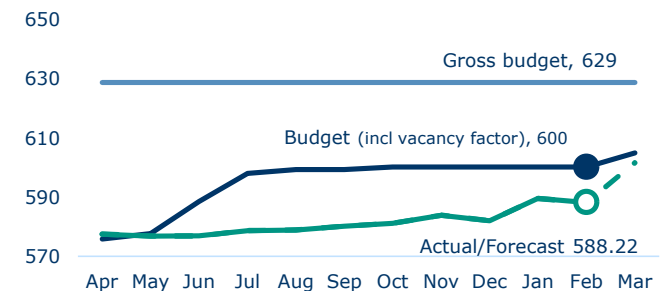
Projects (£000)



- Spend continues to be on target to forecast at £0.7m YTD.
- Q3 forecasted project spend has remained flat to Q2
- Full year spend is expected to be £883k which is within the budget of £1.1m allocated for 24/25. £157k (18% of forecast) is expected to be spent in the remaining month of the year.

Staff Headcount (FTE)

Overall staff numbers are forecasted to rise throughout the year up to 595FTE by March 2025 with budget being 594.4FTE.



Issues, Threats & Opportunities

Threat: With revenue expected to be overspent to budget by year end it is imperative that Forensics take steps to pull this overspend back to within the budgeted funding for financial year 2024/25.

Threat: If functions have been running stocks down a year-end stock count write down may have the effect of increasing expenditure for 2024/25. This won't be known until P13 when a stock count will be conducted.

Issue: Focus on the overall efficiency plan needs to be kept high to meet the target of £378k savings in year. Delivery of the plan has been included in the Q3 forecast numbers.

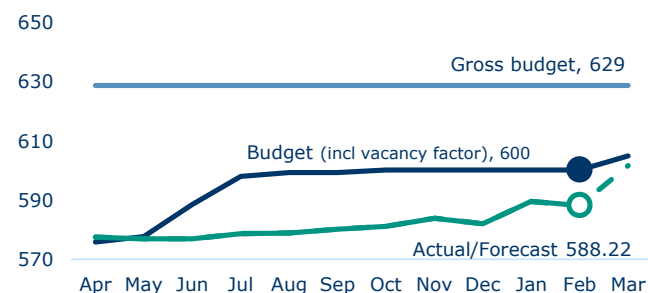
Issue: Per the Scottish Government (SG) statement Forensics is reminded to control spend on hospitality, events and non-essential travel. Additionally, other than critical roles recruitment is to be frozen to help support SG in balancing their budget for 2024/25.

Pay Summary

	Year to date				Year to date			
	Budget	Actual	Var		Q3 FC	Actual	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	35.4	34.7	0.7	2	34.8	34.7	0.1	-
Overtime	0.5	0.3	0.2	40	0.3	0.3	-	-
Total	35.9	35.0	0.9	2	35.1	35.0	0.1	-

- The year-to-date actual pay spend is underspent to forecast (£0.1m) and underspent by £0.9m to budget.
- This underspend is in relation to Forensics being under their budgeted FTE so far during 2024/25.
- The pay budget remains a key focus in 2024/25 as Forensics fills its vacancies to provide its services in line with its budget in the financial year.
- The full year pay forecast at Q3 was forecasted as a **£0.8m underspend to budget**.
- With pressures on the overall Forensics budget recruitment can continue with start dates from April 2025 for new external hires. With in-flight recruitment consideration of likely start dates will need to be undertaken.
- Forensics is reminded per the Scottish Government (SG) statement that other than critical roles recruitment is to be frozen to help support SG in balancing their budget for 2024/25.

FTE Summary



- Actuals at P11 are 588 and underspent to budget by £0.7m. However, there is a gap to budget including vacancy factor FTE of 6FTE to be filled.
- The broken line is the Q3 forecast. The target FTE for 2024/25 is 595.4 FTE. At P11 it is forecasted that Forensics will reach there FTE budget and have 595 FTE.
- Forensics is reminded that this is a key area of focus to reduce overall expected overspent of budgeted funding for 2024/25.

Revenue: Non-Pay

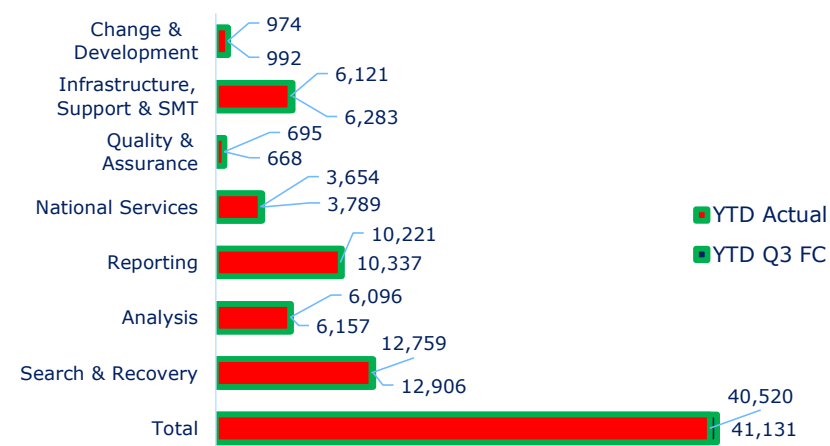
Period 11
2024/25

Summary

	Year to date			
	Budget £m	Actual £m	Var £m	%
Other Employee	0.1	0.1	-	-
Premises	0.1	0.2	-0.1	100
Transport	0.2	0.2	-	-
S&S	3.4	3.7	-0.3	9
ICT	0.5	0.5	-	-
Admin	0.1	0.1	-	-
3 rd Party Payments	0.7	0.8	-0.1	14
Total	5.1	5.6	-0.5	10

- The year-to-date actual non-pay spend at P11 is overspent to budget by £0.5m. This is due to cost pressures within Premises costs, Supplies and Services and third-Party Payments.
- With forecasted spend for non-pay costs expected to be overspent to budget by year end it is key that focus remains on the efficiency plan to negate these pressures alongside implementing the agreed plan to get expected spend within the overall budgeted funding for 2024/25.
- Forensics is reminded per the Scottish Government (SG) statement to control spend on hospitality, events and non-essential travel to help support SG in balancing their budget for 2024/25.

Revenue Spend By Function YTD (£)



- Overall revenue non-pay spend by function is underspent to Q3 forecast by £0.5m.
- Underspends in National Services, Reporting, Search and Recovery, Infrastructure Support and SMT, Analysis as well as Change are offset by a range of overspends in Quality.
- With overspends expected in non-pay function areas it is key that focus is kept on this through the remaining month of the financial year to ensure Forensics come within their budgeted funding.

2024/25 Financial Forecast – updated for February 2025

A high-level revised forecast has been compiled by finance for the period from February 2025 to March 2025 per the tables on this slide.

		Full Year Budget £	Forecast Variance £	Variance £	RAG	Notes
	January 2025 forecast	44,712,787	44,884,217	171,430		
	<u>Movements from P10 to P11 forecast</u>					
Various	Staff resource		- 39,327		Green	As a result of external hires start dates being delayed till April 2025 where reasonable additional resource savings have been identified since Q3 forecast.
714	Infrastructure, Support & SMT - logistics (couriers)		- 5,000		Green	A review was conducted that highlighted an additional saving of 5K.
Various	Operational Kits		32,474		Amber	Updated run rate figures for year end.
714	Legal Costs for Employment Tribunal Cases		-		Green	Employment Tribunal costs moved to the SPA legal budget
709	Outsourcing Costs		-		N/A	Following a review no additional savings have been identified since Q3 forecast.
All	Training savings		- 30,000		Amber	Delayed training course savings have been identified since Q3 forecast.
Various	Revenue costs moved to reform		-117,000		Green	£12K for SWP, £50K FS COS Business case (ignite consultancy) and £55k Technical Road Maps agreed to be moved to reform
	Total net pressure from Q3 forecast		-158,853			
	Revised Forecast (January)	44,712,787	44,725,363	12,577		

- Since the P10 further work has been undertaken to quantify cost pressures and to understand if the mitigations Forensics have put in place are beginning to take effect.
- Since Q3 final overrun figures for 2024/25 have moved positively by £159k from an overspend of £171k at the end of January 2025 to a smaller overspend of £13k at the end of February 2025. However, pressure still needs to be kept on all areas of spend as per the above table Forensics is expected to be overspent come year end.
- There are several steps that are being taken (see next slide: mitigating steps). Forensics SMT should also ensure that all options to control and reduce spend are considered.
- As the remaining less than two months of the financial year progress finance will continue to monitor this in detail and report any divergence.

Revenue: mitigating steps

Revenue forecast

- At Q3 it was identified that an overspend to budget of **£262k (0.6%)** was likely if no action was taken in the remaining three months of the year.
- Whilst this is a small percentage of the FS budget finance and management recognise that action is required.
- This position was discussed in detail between SPA finance, the Forensic Service Director and Senior Management Team. This tactical meeting understood the issue and discussed measures to ensure that Forensics immediately address the overspend and achieve a balance budget.
- The list below outlines some of the options that Forensics will look to control spend. All options are being considered taking cognisance of the budget position and operational impact.
- In many cases, options being consider involve delaying spending for a short period of time.

Option	Potential operational impact
1. Delay external recruitment where start dates have not been confirmed.	<ul style="list-style-type: none"> Impact on capacity. Risk of losing staff.
2. Halting any property repairs till April 2025 and reviewing refurbishment work already completed that may be capital spend.	<ul style="list-style-type: none"> Short delay in improvements. Financial impact on 2025/26.
3. Delay training into 2025/26.	<ul style="list-style-type: none"> Financial impact on 2025/26
4. Investigate options to re-allocate spend from revenue to reform for work completed through business case development.	<ul style="list-style-type: none"> No operational impact. Depends on availability of reform funding.
5. Logistics spend to be reviewed to see if any opportunities exist to bring the spend down.	<ul style="list-style-type: none"> Potential for longer transit times.
6. Investigate all cost recovery funding for services provided to other police forces/ third party customers.	<ul style="list-style-type: none"> No operational impact. Challenges to charge where there are no existing agreements.

	Budget £000	Q3 Forecast £000	Variance £000
Pay	39,373	38,533	840
Non-pay	5,423	6,551	-1,127
Income	-84	-109	25
Total	44,713	44,974	-262

Looking Forward

- Forensics recognise that options may have operational consequences which will be considered, however, in most cases Forensics is looking to avoid impacting on the service. In many changes options will result in a short term pause in spend.
- Conformation that no options will be selected that will have a direct reduction in service levels has been given from Forensic Services Senior Management Team.
- Furthermore, Forensics have confirmed they will send a communication to all staff to explain the budget position and request that any discretionary spend that will not have an impact on short term service levels is put in place.
- SPA finance will closely monitor this position and report to management for the remained of the financial year.
- Given the relatively small overspend and the options available, finance and the director are confident that a break-even outturn can be achieved by the end of the financial year.**



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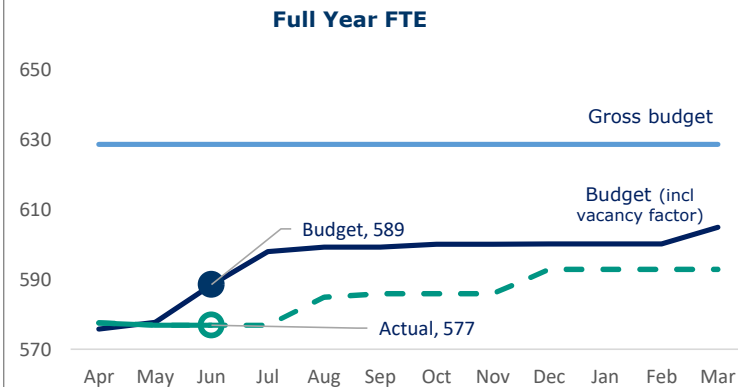
Appendices

Pay Forecast Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q1 Forecast	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	9.3	9.4	-0.1	1.1	38.0	37.9	0.1	0.3
Overtime	0.1	0.1	-	-	0.5	0.5	-	-
Total	9.4	9.5	-0.1	1.1	38.5	38.4	0.1	0.3

- The overall staff pay forecast is an **underspend of £0.1m** at year end.
- Current overspends in pay relate to vacancy factor being weighted heavily at the start of the year. This weighting reduces throughout the year as FTE headcount increases. This does not pose any issues as the overspend variance is anticipated to move to an underspend as we move through the year.
- The pay budget remains a key focus in 2024/25 as Forensics fills its vacancies to provide its services in line with its budget in the financial year.

FTE Summary



- The Q1 forecast is for 593FTE to be in place by December 2024. This is assuming nobody leaves the organisation and that all the vacancies identified as external hires are filled.
- The target FTE for 2024/25 is 595.4 FTE. Therefore, at Q1 forecast there is an anticipated gap of 1.4FTE come year end.
- Actuals at P3 are 577 and in line with budget. However, there is a gap to budget including vacancy factor FTE of 18.5FTE to be filled (This gap being the same as at P2).

Recruitment Summary

FTE	
Actuals (30 June 24)	577
In flight external candidates	16
Forecasted FTE Total	593

External candidates	16
Internal candidates	19
In-flight Recruitment Total	35

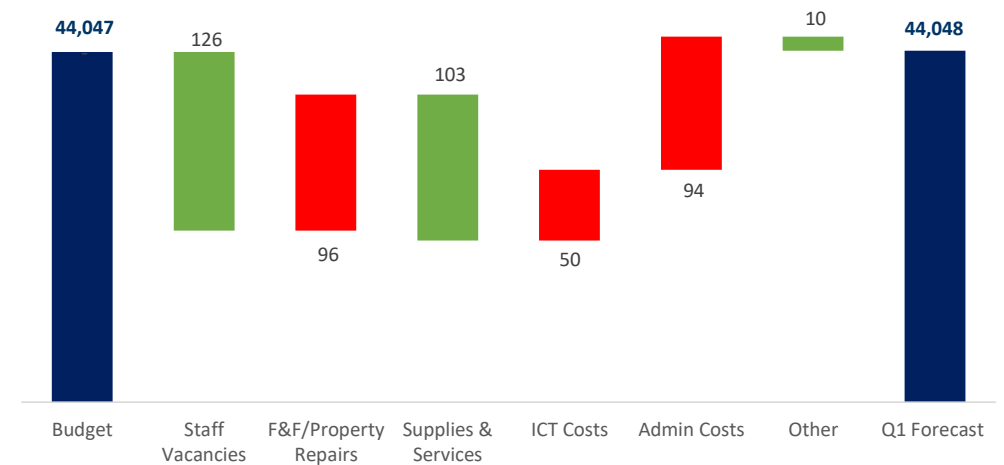
- At Q1 forecast it is expected that FTE will be 593 at year end. There are 577 FTE at the end of P3 with an additional 16 external candidates expected to join FS over the coming months. Assuming all these candidates are successful this would bring FTE numbers up to 593.
- The second table above also highlights that FS is recruiting a further 19 candidates to fill vacant roles. However, please note this has no impact on the overall FTE numbers within FS as these individuals will then create vacancies in the roles they leave.
- It is important that Forensics aims higher than the budget including vacancy factor of FTE 595.4 due to the internal/external candidate mix of in-flight recruitment and likely attrition in roles which will likely stall the growth in FTE.

Non-Pay Forecast Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q1 Forecast	Var	
	£000	£000	£000	%	£000	£000	£000	%
Premises	19	105	-86	452	76	172	-96	126
Transport	49	51	-2	4	194	200	-6	3
Supplies & Services	926	1,099	-173	19	3,700	3,597	103	3
ICT	148	148	-	-	593	643	-50	8
Admin	26	22	4	15	103	196	-93	90
Other	208	148	60	29	832	816	16	2
Total	1,376	1,573	-197	14	5,498	5,624	-126	0.3

- The non-pay Q1 forecast has come in at £5,624k which is slightly higher than budget by £126k. There are various material pressures such as premises, ICT and Admin costs. These costs are also offset by forecasted overspends in Supplies & Services. The movement from Budget to Q1 is explained in further detail on the waterfall to the right.
- With forecasted spend for non-pay costs expected to come in ahead of budget by year end it is key that focus remains on the efficiency plan in order to negate these pressures.

Non-Pay Revenue forecast – detailed waterfall (£000)



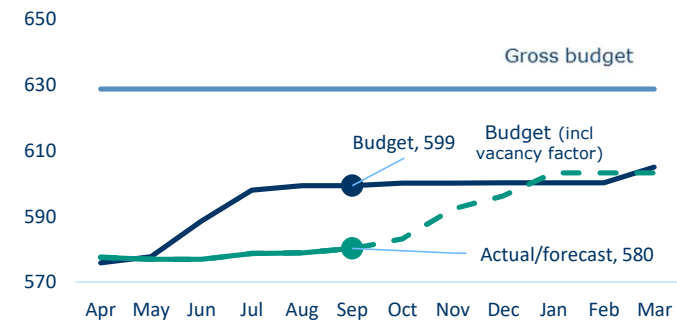
- Supplies and services have been forecasted as a saving on the original budget. The main variances relate to Specialist consumables/Ops equipment looking like underspending (£213k) based on current run rate expenditure. This is offset by overspends on the FS Cos Ignite consultancy (£50k) and equipment maintenance contracts being higher than budget (£35k).
- The main overspend variances relate to Property repairs (£84k) coming in higher than budgeted. ICT maintenance costs (£62k) have also increased beyond budget. Admin costs have increased due to a provision (£96k) for legal costs being included in the forecast. This provision relates to two possible Employment tribunals that previously weren't budgeted for.

Pay Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q2 FC	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	18.9	18.7	0.2	1.0	38.0	37.8	0.2	0.5
Overtime	0.2	0.2	-	-	0.5	0.3	0.2	40.0
Total	19.1	18.9	0.2	0.5	38.5	38.1	0.4	1.0

- The overall staff pay forecast is an **underspend of £0.4m** at year end.
- The year-to-date actual pay spend is £0.2m under forecast and budget and this relates to the slow nature of recruitment in the financial year so far.
- The pay budget remains a key focus in 2024/25 as Forensics fills its vacancies to provide its services in line with its budget in the financial year.
- Forensics is reminded per the Scottish Government (SG) statement that other than critical roles recruitment is to be frozen to help support SG in balancing their budget for 2024/25.

FTE Summary



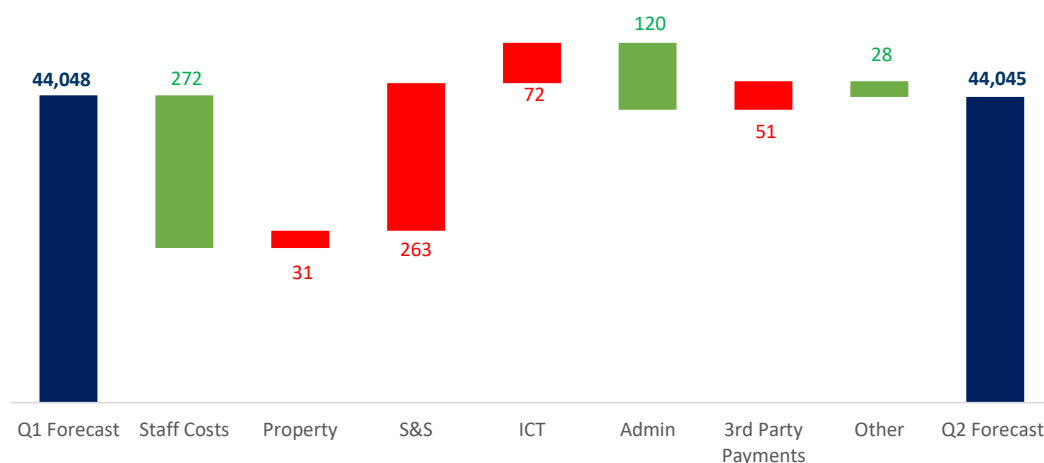
- Actuals at P6 are 580 and underspent to budget by £0.2m. However, there is a gap to budget including vacancy factor FTE of 14.4FTE to be filled (This gap being 1FTE less than at P5).
- The broken line is the Q2 forecast. From January 2025 603FTE are expected to be in place. This is assuming nobody leaves the organisation and that all the vacancies identified as external hires are filled.
- The target FTE for 2024/25 is 595.4 FTE. Therefore, at Q2 forecast there is an anticipated increase in FTE numbers of 8.5FTE.
- Forensics SMT has implemented over recruitment in the hope that FTE gap can be bridged at year end. The forecast of 603 FTE per January only assumes external hires to the organisation and does not include any retiral's or attrition of staff. Finance is happy with this approach in the hope that it bridges the FTE gap come year end.

Non-Pay Forecast Summary

	Year to date				Full Year			
	Budget £m	Actual £m	Var £m	%	Budget £m	Q2 Forecast £m	Var £m	%
Premises	-	0.2	0.2	100	0.1	0.2	-0.1	100
Transport	0.1	0.1	-	-	0.2	0.2	-	-
Supplies & Services	1.9	2.1	-0.3	16	3.7	3.9	-0.2	5
ICT	0.3	0.3	-	-	0.6	0.7	-0.1	17
Admin	-	-	-	-	0.1	0.1	-	-
Other	0.5	0.3	0.2	40	0.9	0.9	-	-
Total	2.8	3.0	-0.2	7	5.6	6.0	-0.4	7

- The non-pay Q2 forecast is £6m; £0.4m higher than budget. There are various material pressures such as premises, Supplies & Services and ICT. The movement from Q1 to Q2 is explained in further detail on the waterfall to the right.
- With forecasted spend for non-pay costs expected to be overspent to budget by year end it is key that focus remains on the efficiency plan to negate these pressures.

Overall Revenue Forecast – detailed waterfall (£000)



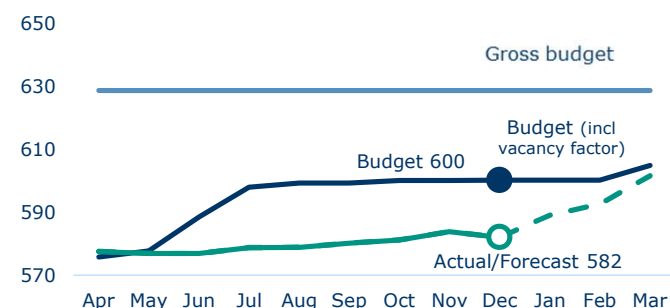
- Admin costs have been forecasted as a saving on the original budget. The main variances relate to printing costs (£17k) being lower than budget based on using run rate. Legal costs (£90k) have also been removed from the forecast as this is an unknown at the time and no underspends allows for this to be included as it did at Q1.
- Other costs - Income driven from services performed for the HNS makes up most of the favourable movement in other costs.
- The main overspend variances relate to property repairs (£31k) coming in higher than budgeted.
- Within supplies and services operational kits (£131k) and equipment maintenance costs (£44k) are higher than budgeted. Operational kits is a pressure area within Forensics and is being looked at to maintain a balanced budget in this area.
- ICT maintenance costs (£72k) have also increased beyond budget.

Pay Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q3 FC	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	28.5	28.0	0.5	2	38.8	38.2	0.6	2
Overtime	0.4	0.3	0.1	25	0.5	0.3	0.2	40
Total	28.9	28.3	0.6	2	39.3	38.5	0.8	2

- The overall staff pay forecast is an **underspend of £0.8m** at year end.
- The year-to-date actual pay spend is £0.6m under forecast and budget and this relates to the slow nature of recruitment in the financial year so far.
- The pay budget remains a key focus in 2024/25 as overall Forensics is predicted to be overspent to budget. This area should be looked at for bringing that forecasted overspend down.
- Forensics is reminded per the Scottish Government (SG) statement that other than critical roles recruitment is to be frozen to help support SG in balancing their budget for 2024/25.

FTE Summary



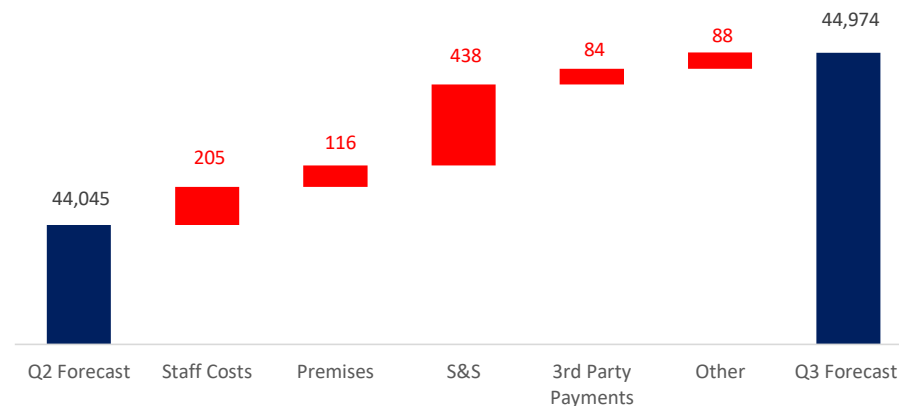
- Actuals at P9 are 582 FTE and underspent to budget by £0.6m.
- The broken line is the Q3 forecast. From March 2025 602FTE are expected to be in place. This is accounting for any leavers within the organisation and that all the vacancies identified as external hires are filled.
- The target FTE for 2024/25 is 595.4 FTE. Therefore, at Q3 forecast it is anticipated that Forensics will reach there FTE budget come year end if current levels of recruitment continues.
- Forensics is reminded that this is a key area of focus to reduce overall expected overspent of budgeted funding for 2024/25.

Non-Pay Forecast Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q3 Forecast	Var	
	£m	£m	£m	%	£m	£m	£m	%
Premises	0.1	0.2	-0.1	100	0.1	0.3	-0.2	200
Transport	0.1	0.2	-0.1	100	0.2	0.2	-	-
Supplies & Services	2.8	3.2	-0.4	14	3.7	4.3	-0.6	16
ICT	0.4	0.4	-	-	0.6	0.7	-0.1	17
3 rd Party Pymts	0.6	0.6	-	-	0.7	0.9	-0.2	29
Admin	0.1	0.1	-	-	0.1	0.1	-	-
Total	4.1	4.7	-0.6	15	5.4	6.5	-1.1	20

- The non-pay Q3 forecast is £6.5m; £1.1m higher than budget. There are various material pressures such as premises, Supplies & Services and Third-Party payments. The movement from Q2 to Q3 is explained in further detail on the waterfall to the right.
- With forecasted spend for non-pay costs expected to be overspent to budget by year end it is key that focus remains on the efficiency plan to negate these pressures alongside implementing a plan to get expected spend within the overall budgeted funding for 2024/25. For further detail on this please see slide 5.

Overall Revenue Forecast – detailed waterfall (£000)



- At Q3 there is an overspend variance relating to property repairs/fixture and fittings (£114k) coming in higher than Q2 forecast.
- The main overspend variance at Q3 is within supplies and service operational kits (£339k), equipment maintenance costs (£37k) and specialist consumables (£21k). Operational kits is a pressure area within Forensics and is being looked at to maintain a balanced budget in this area.
- Logistic costs within Third Party Payments have increased by £70k since Q2 forecast as demand for testing has increased.
- Other costs – legal costs have increased at Q3 from work performed on ongoing Employment Tribunals.