



SCOTTISH POLICE
AUTHORITY
ÙGH DARRAS POILIS NA H-ALBA

Annual Report and Accounts 2022-23



Our Report: Key Sections



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Performance Report Foreword

This section provides an introductory overview from the Authority Chair and Chief Executive. This provides an outline of the key challenges and successes over the last financial year.



Chair's Foreword

Policing is an essential and effective public service, operating in a pressured and highly visible environment, under challenging financial constraints, to improve the safety and wellbeing of people, places and communities in Scotland.

The 2022-23 Annual Report and Accounts explains what has been achieved during the year and concludes that operational performance was once again very good. Police Scotland demonstrated their strength in service delivery in both large scale efforts such as the policing of the funeral of HM Queen Elizabeth II, and in the day-to-day delivery of effective policing services to Scotland's communities.

Forensic Services continued to adapt to meet increasing demands and new responsibilities. The Service is very highly regarded and provides some of the world's best DNA analysis among its many accredited and essential services to Police Scotland and the Crown Office and Procurator Fiscal Service. The transfer of post-mortem toxicology services from the University of Glasgow to Forensic Services was delivered as planned during the year. Demand for testing and analysis of drug driving samples outstripped the capacity to deliver over the year. Significant effort, leadership, additional scrutiny and investment has addressed this demand in the short term and work continues with key stakeholders across the justice sector to identify a long-term solution.

The financial constraints being faced across the public sector are replicated across policing. A balanced budget has been set and achieved for the second year running thanks to robust financial management and controls. We continue to make the case for additional investment in our estate and technology to meet the needs of the modern, responsive, and effective public service that our workforce and communities deserve.

Policing is one of Scotland's only public services to have undergone significant strategic reform over the past 10-years. This year also marked a decade since the establishment of the single police service. The demands on policing have changed dramatically over this time. Crime in the public space has reduced while cyber enabled crime and fraud has grown. With increasing complexity and vulnerability, policing is having to adapt and change rapidly just to keep up. Financial constraints have made the pace slower than we need.

Despite the challenges, and the further change required at pace, we look back with conviction knowing that Police Scotland and Forensic Services have delivered a service that is better than anything that preceded it. The single police service provides a solid foundation for reform and improvement to continue.

In May 2023, as Chief Constable, Sir Iain Livingstone acknowledged the existence of institutional discrimination within Police Scotland. Recognising that the processes, attitudes, and behaviours of an organisation are



discriminatory - however unconsciously that may be - is the crucial next step for effective organisational development. This marks a significant milestone for policing - one that moves the focus from continually describing a problem to considering what and how we address it.

We are grateful to Sir Iain Livingstone for his leadership, courage, and commitment to policing over the last 30-years. He has left a reformed Police Scotland in a very strong position as a national asset and a confident human rights-based service. We wish him well for the future following his retirement in August 2023.

As we look forward, maintaining a balanced budget position will require hard choices on prioritisation of services. Developing the culture and addressing discrimination will take leadership, momentum, sustained oversight, and support from the entire workforce. We have appointed Chief Constable Jo Farrell as the next Chief Constable of Police Scotland. She takes post in October 2023 and joins from a service that is judged as outstanding. We have full confidence that she and the wider leadership team can continue to build on the improvements we have seen in policing over the last decade.

Finally, and most importantly, I want to express my deepest thanks to every single police officer and member of staff for their continued contribution and dedication to delivering this essential public service. The very first line of assurance for the Authority is the quality and values of our workforce. Even in the face of adversity, I continue to be impressed by the commitment to public service and resilience of those working across policing.

Martyn Evans
Chair

26 October 2023

Chief Executive's Statement

As Chief Executive of the Scottish Police Authority and Accountable Officer for the policing budget I am delighted to be reporting a balanced budget position for policing. Securing a balanced and sustainable budgetary position for policing has been a priority, I am grateful to the Board, Police Scotland and the Scottish Government for their support to achieve this. We remain committed to maintaining this position in the years ahead.

Organisationally, the Authority's corporate function has continued to provide support to the Board to ensure effective and robust oversight and advocacy for policing. Engagement and collaboration with key stakeholders on crucial issues like local scrutiny, children in custody, mental health in policing, biometrics, research and evidence have all been progressed and are informing and adding value to the Authority's oversight. We have led in developing and publishing a series of information briefings for the public about topical issues within policing making our scrutiny and position on key issues more accessible.

We have reviewed and strengthened our governance policies, procedures and professional standards and importantly embedded an outward looking approach to everything we do to better reflect the public interest. I am proud that both the Authority's Audit and Risk team were awarded the CIPFA public finance award for good governance during the year and Police Scotland's Finance team were named Finance Team of the Year for the successful delivery of COP26.

I am also delighted to report that 86% of the milestones underpinning the Authority's business plan for 2022-23 were delivered in year. We have reviewed and updated the Authority's Corporate Strategy for 2023-26 setting out clearly how the Authority will contribute to the policing priorities over the next three years. These align with the reviewed Policing Priorities set by the Scottish Government and the Strategic Police Plan for 2023-26.

Improvements to the Authority's Governance Framework were made in March 2022 and took effect shortly thereafter strengthening and simplifying arrangements, reducing duplication, and increasing delegations for more effective and efficient governance. Further improvements are planned in the year ahead informed by self-evaluation and recommendations from HMICS in respect of Forensic Services.

The Authority's Financial Regulations were also updated in August 2022. The financial control environment continues to improve with progress on financial planning, budgeting, and monitoring. Progress was also made to discharge recommendations made by scrutiny bodies which continue to be reported and monitored publicly by the Audit, Risk and Assurance Committee.

I am grateful to the Board, Police Scotland's leadership team and all those officers and staff who work tirelessly to ensure an effective and efficient policing service is delivered across Scotland. I also want to extend my thanks to our key stakeholders and our statutory staff and diversity associations and trade unions who have played a crucial role in the last year supporting policing, enhancing accountability, and ultimately building trust and confidence

Lynn Brown OBE
Chief Executive
26 October 2023

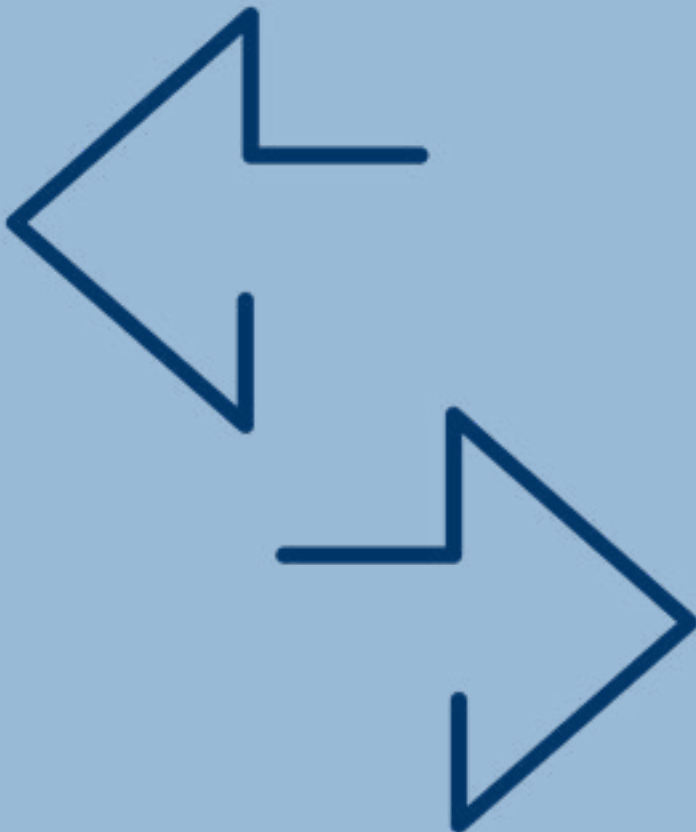




Part 1 Overview

Policing System Strategic Context

This section provides an overview of the strategic context and legislative arrangements for the policing of Scotland; describing the respective roles of the Scottish Police Authority (the Authority/ SPA) and Police Scotland. It also provides a summary of what has been achieved in the year; the financial and organisational performance across the system; the key risks to strategic and operational delivery and the recently reviewed plans to address future challenges.



Policing Principles, Purpose and Key Policing Activities

Statutory Background

The Scottish Police Authority (The Authority) and the Police Service of Scotland (Police Scotland) are the primary national policing bodies of Scotland. The Authority is classified as an other significant public body of the Scottish Government that was established on 1 April 2013.

The main statutory duties and powers come from the Police and Fire Reform (Scotland) Act 2012 (the Act).

The Scottish Police Authority

The Authority is comprised of a Chair and between 10 and 14 Members who are appointed by Scottish Ministers. The overarching role of the Authority, is to:

- Provide strong governance and clear accountability for the police service;
- Provide a clear separation between Scottish Ministers and the Police Service; and
- Ensure that the Chief Constable is free from undue political influence in making decisions about the investigation of crime.

The Act specifies that the Authority:

- Maintain the Police Service;
- Promote the policing principles and continuous improvement of policing;
- Keep policing of Scotland under review; and
- Hold the Chief Constable to account for the policing of Scotland.

It also requires the Authority to:

- Provide Forensic Services, independently of Police Scotland, to support operational policing and the justice system in Scotland;
- Make arrangements for independent custody visiting; and
- Be the employer of police staff and to recruit, and assess complaints and conduct issues, related to senior officers (Assistant Chief Constable and above).

Police Scotland

Police Scotland is the second largest police service in the UK and delivers a police service across the length and breadth of Scotland.

The Act requires the Chief Constable to:

- Be responsible and accountable to the Authority for the policing of Scotland;
- Have direction and control of the police service;
- Be responsible for the day-to-day administration of the police service;
- Prepare an annual police plan;
- Seek to secure continuous improvement in the policing of Scotland; and
- Ensure adequate arrangements are in place for the policing of each local authority area.



Strategic Planning Framework

The Act specifies that the Scottish Ministers set strategic police priorities for the policing of Scotland. There are [six strategic police priorities for the period 2020-2026](#).

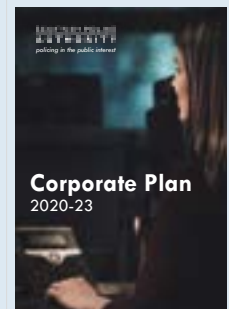


The Authority approved the [Joint Strategy for Policing \(2020\)](#) in March 2020 which provides an overarching focus on the key strategic challenges and opportunities facing policing and the wider public sector, setting an ambitious programme of change and transformation. This enables the police service to adapt to meet both the current and future needs, so that it has the capacity, technology, and capability to police effectively in the public, private and virtual space.

Police Scotland, SPA Corporate and Forensic Services each have their own respective strategy and/or annual plan.

- [The Annual Police Plan](#) (APP) sets out the activities that Police Scotland will focus on in the year ahead and aligns to the Strategic Police Plan's outcomes. Performance is reported quarterly to the Policing Performance Committee.

- The Authority's [Corporate Plan 2020-23](#), articulates the role, purpose and responsibilities of the Authority as the governance body for policing in Scotland. It describes the context within which the Authority operates and outlines the six strategic outcomes and supporting activities that the Authority will work towards achieving during the lifecycle of the Plan. Progress in year is reported quarterly to the Audit, Risk and Assurance Committee.



- The [Forensic Strategy](#) provides a clear vision as to how Forensic Services will continue to provide high quality and sustainable forensic services that remain at the cutting edge of scientific and technological advances whilst achieving Best Value. Forensics performance is reported and monitored by the Forensic Services Committee.





Policing System: Key Strategic and Operational Risks 2022-23

The Joint Strategy for Policing provides the framework for both the performance and risk management frameworks. The Authority has a structured approach to risk management, which is summarised in the Governance Statement, from page 85. Key principal risks considered during 2022-23 included:

Financial	
Risk	Mitigating action
Authority fails to secure resources available to deliver the Strategic Police Plan.	Careful and robust engagement with Scottish Government. Financial scenario planning of different potential levels of settlement. Ongoing financial reporting to Committees and Board.
Risk change	Looking ahead
The risk was initially scored very high in May 2022 following the Scottish Government's Resource Spending Review (RSR). Scottish Government's 2023-24 budget confirmed a £80m core funding uplift for policing (6.4%). Although not as severe as indicated by the RSR, it still represents a real terms funding reduction.	Significant financial challenges remain to deliver policing to the communities of Scotland. Risk will be reviewed during 2023-24. Budget performance is monitored by way of regular reporting to Resources Committee and the Authority. The risk remains beyond the 2023-24 financial year.
Organisational Change	
Risk	Mitigating action
The demands on policing are constantly evolving reflecting societal, demographic and technology changes in Scotland and the virtual world. Police Scotland must adapt to these changes against a background of budget challenges.	Joint Strategy for Policing 2023-26. Ongoing engagement with partners and stakeholders. Local police divisions are leading engagement and responding to public feedback in their areas.
Risk change	Looking ahead
This is a complex and wide-ranging risk. While a number of mitigations were implemented during the year, the overall risk assessment did not change reflecting the impact of financial constraints and the long-term nature of the risk.	This is a long-term strategic risk for Scottish policing with the challenge of limited funding a significant factor in the ability to mitigate the risk. Scottish policing will require to adapt and change – the Authority will work in partnership with Police Scotland providing support and challenge.

Cyber resilience	
Risk	Mitigating action
Inadequate protection or inappropriate system use could result in systems becoming infected with a virus, resulting in systems and data being unavailable or corrupted.	<p>Policies, procedures and training.</p> <p>Vetting procedures (minimise insider threats).</p> <p>Compliance with ISO 27001 & Cyber Essentials+.</p> <p>Physical security, access restrictions conforming to NCSC ESS (Emergency Services Sector) standard.</p> <p>Suppliers' cyber security checks.</p> <p>Internal Audit on Cyber Security.</p>
Risk change	Looking ahead
There are numerous ongoing mitigations for this risk. The severity of the risk has not changed reflecting the prioritisation and importance to address the risk on an ongoing manner.	Work will remain ongoing to mitigate this risk, reflecting the continually changing cyber threats. This is aided by longer term cyber project and programmes in Police Scotland's digital division as well as the cyber training and capability business case.

Data retention and management	
Risk	Mitigating action
<p>Robust storage, management and use of data is a key enabler for policing in Scotland.</p> <p>Many new technologies increase the volume of data that requires to be managed.</p>	<p>Data Drives Digital programme supported by several projects in delivery.</p> <p>Efficient and effective management of data in an ethical manner adhering to legislation.</p> <p>Consideration of the implications of utilising cloud-based storage.</p>
Risk change	Looking ahead
<p>The severity of the risk has not changed and continues to remain high. Mitigation of the risk is reliant on the delivery of the long-term programme of work within the Data Drives Digital programme.</p> <p>The volume of data to be stored and managed will increase with the implementation of new technology.</p>	<p>The focus will continue to be on storing and managing data in an ethical, efficient manner adhering to legislation.</p> <p>Continued delivery of Data Drives Digital to ultimately reduce the risk.</p>

Oversight of Police Scotland and Forensic Services	
Risk	Mitigating action
<p>SPA does not deliver a proportionate, targeted, measured oversight of Police Scotland and Forensic Services.</p>	<p>Enhanced/wider public reporting of performance across Scottish policing (performance framework).</p> <p>Roles and responsibilities of committee to oversee respective area of policing.</p> <p>Corporate Governance Framework.</p> <p>Enhanced oversight of change.</p> <p>Enhanced support to members on oversight of Forensic Services.</p>
Risk change	Looking ahead
<p>The risk, associated with oversight of Forensic Services, increased due to the time barring of drug driving cases. Mitigations implemented have resulted in reduction of this risk.</p> <p>The risk is subjective, however, the time barring of drug driving highlighted where the risk became an issue. The overall risk is assessed taking cognisance of a number of different factors including public perception, feedback and delivery of policing to the communities of Scotland.</p>	<p>The risk will continue to be managed and assessed – the risk not becoming an issue is a key to the successful function of SPA.</p>

Performance Summary

The Act requires the Chief Constable to make an annual assessment of the policing of Scotland and to submit this to the Authority. The Authority uses this assessment along with other sources of evidence from key partners and stakeholders to produce and publish information on the state of policing in Scotland as part of this annual report. This report does not seek to duplicate the level of detail found in the Chief Constable's annual assessment of policing or other sources or evidence such as what has been reported to the Authority and its committees over the course of the 2022-23 year.

The Authority assesses that performance levels have been maintained at a very good level during 2022-23. Police Scotland has demonstrated that it has continued to deliver its core services to the public, maintain public trust and confidence, progress transformational change and other continuous improvement activity, and at the same time support its workforce to ensure that duties can be carried out safely and effectively. Police Scotland has also demonstrated clear progress in working towards the strategic outcomes as described in the Strategic Police Plan. Several key achievements are highlighted below as well as being described throughout this report.

Evidence provided is wide-ranging and supports Police Scotland's purpose to improve the safety and wellbeing of people, places and communities in Scotland. The Authority's Policing Performance Committee has continued to provide challenge and support to Police Scotland throughout the year, with an emphasis placed on delivering sustainable, continuous improvement and making the best of use of resources.

Operation Unicorn

Following the sad passing of Her Majesty the Queen, Operation Unicorn was launched on 8 September 2022, marking the first time Police Scotland has implemented a no notice mass mobilisation of its officers and staff. From initial activation to the end of the operation there were 5,705 conventional deployments in Scotland and assistance from across Police Scotland in various frontline and support roles.

Operation Unicorn concluded with no security breaches, significant violence/disorder, or safety issues. Communities supported Police Scotland during the operation with a large number of events and public gatherings taking place across the country. The delivery of this enormous and complex operation was greatly enabled by our structure as a single police service and highlights the significant benefits the Police Service of Scotland brings.

Policing Together Strategy

The Policing Together Equality, Diversity and Inclusion Strategy was launched to improve the lives and wellbeing of our fellow citizens, for the benefit of all. The Strategy drives action to champion equality and inclusion so that we tackle discrimination and become a service where every officer and member of staff can flourish and thrive with the knowledge they are welcome and valued for their true and authentic selves.

The strategy outlines the action we are taking to champion equality and inclusion so that we tackle discrimination and become a service where every officer and member of staff can flourish and thrive with the knowledge they are welcome and valued.

Violence against Women and Girls Strategy

The Violence against Women and Girls (VAWG) Strategy was approved by the Authority in March 2023. Based on wide-ranging and unprecedented engagement with the general public, women and girls, survivors of violence, key partners, academics and experts, the strategy builds on the Service's commitment to improve and future-proof its response. The strategy shows Police Scotland's commitment to act and to improve how we tackle sexual violence and domestic abuse that disproportionately affects women and girls.

Overall Crime Levels

Overall crime in Scotland has remained relatively low this year with a total of 461,557 crimes recorded. This is a reduction from 462,708 last year, and from the five-year average of 484,472. The table below shows how the number of crimes breaks down across the seven crime groups, alongside the detection rate for each group, for the last two years.

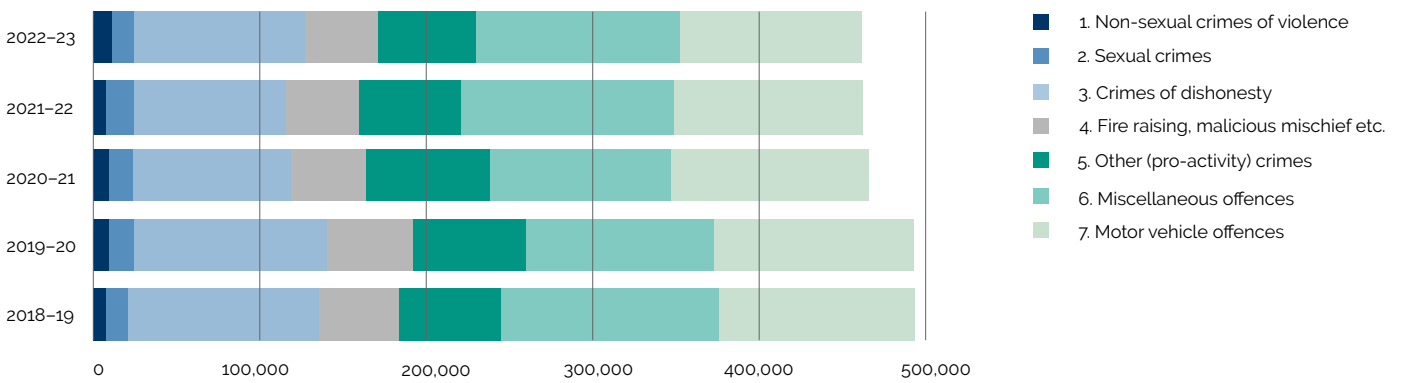
Crime group	Measure	2022-23	2021-22	Change from last year	5-year average	Change from 5-year average
1. Non sexual crimes of violence	Crimes	10,322	10,079	2.4%	8,738	18.1%
	Detection rate	61.5%	64.9%	-5.2%	71.2%	-13.6%
2. Sexual crimes	Crimes	14,602	15,170	-3.7%	13,672	6.8%
	Detection rate	53.4%	53.3%	0.2%	56.7%	-5.8%
3. Crimes of dishonesty	Crimes	103,393	91,283	13.3%	103,065	0.3%
	Detection rate	31.0%	32.0%	-3.1%	36.9%	-16.0%
4. Fire-raising, malicious mischief etc.	Crimes	43,123	44,339	-2.7%	47,264	-8.8%
	Detection rate	28.8%	29.0%	-0.6%	28.1%	2.3%
5. Other (pro-activity) crimes	Crimes	59,374	60,396	-1.7%	62,482	-5.0%
	Detection rate	93.4%	92.8%	0.6%	92.4%	1.0%
6. Miscellaneous offences	Crimes	121,523	128,045	-5.1%	129,857	-6.4%
	Detection rate	73.2%	73.5%	-0.4%	76.3%	-4.0%
7. Motor vehicle offences	Crimes	109,220	113,396	-3.7%	119,394	-8.5%
	Detection rate	86.9%	88.9%	-2.2%	90.4%	-3.9%

This shows that the number of crimes recorded has decreased in the majority of groups against both last year's figure and the five-year average, except for Group 1 (non sexual crimes of violence) and Group 3 (crimes of dishonesty) where levels have increased compared to both. Group 2 (sexual crimes) has decreased compared to last year but increased on the five-year average.



Crime numbers by group and financial year

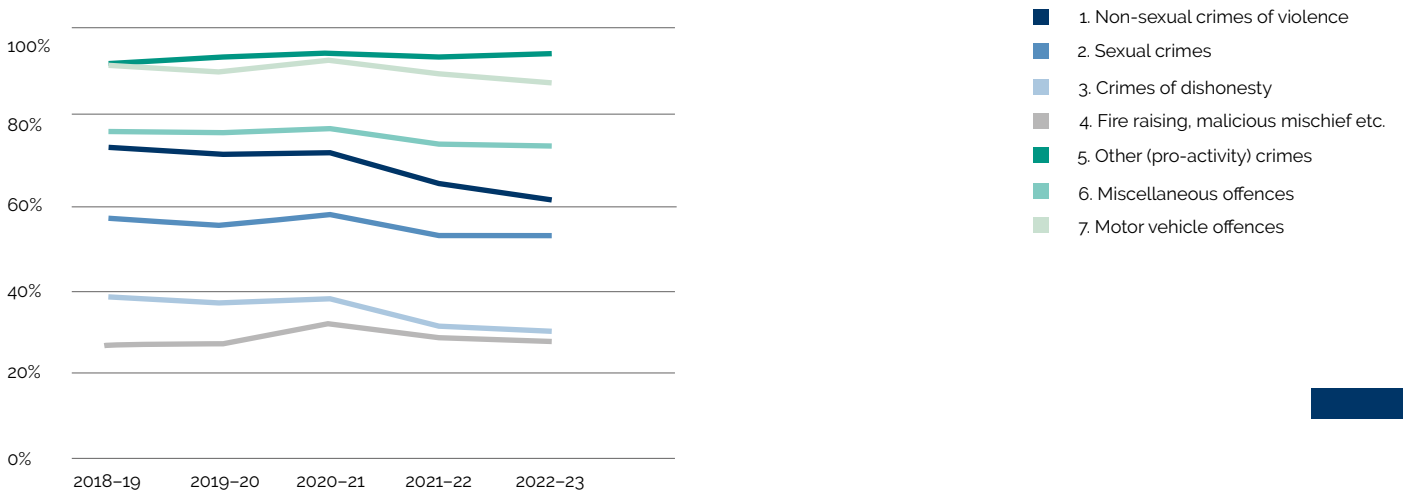
The following graph takes this analysis further, showing the volume of crimes within each group over the last five years.



The table above also shows that the detection rates for most crime groups have decreased this year when compared to last year and to the five-year average, with the most marked decreases in relation to Groups 1 and 3.

Detection rates by group and financial year

The following graph shows trends for the last five years, illustrating the differences in detection rates across groups. The sub-group figures contributing to these overall trends are explored further in the Performance Analysis section below.



Public Confidence in Policing

In terms of measures of public confidence, the pandemic interrupted long-established mechanisms for measurement. The [Scottish Crime and Justice Survey](#) was postponed in 2020-21 and is currently being re-designed as part of a Scottish Government-led procurement process, with the next available results expected from 2024. To help build a comprehensive and robust picture of public confidence, the Authority and Police Scotland have been carrying out public opinion surveys during this transitional period, although it should be noted that since methodologies vary between survey approaches, triangulating findings with a high degree of certainty is complex, as is making comparisons to data gathered prior to 2020.



Measures of Trust, Confidence and Satisfaction with Policing

The most recent data available on confidence in policing in Scotland comes from Police Scotland's own survey of the public for 2022-23 ([the online Your Police survey](#)). Although the data from this survey is not taken from a controlled, nationally representative sample and therefore cannot be compared with the SCJS, SVTS, SHS or the SPA surveys, it acts as a valuable source of intelligence. For 2022-23 data as a whole, 38% of people said that they have confidence in the police in the local area. This includes people who either 'agree' or 'strongly agree' that they have confidence in local police. Confidence levels among organisations who responded to Your Police (300 organisations) averaged 52%.

The Diffley Partnership, in consultation with the Authority, produced findings on [public perceptions of policing in Scotland](#). Data from this survey is of a nationally

representative sample and has been of significant value to the Authority to complement a range of external data sources from both Scottish Government and Police Scotland. For January-February 2023, 43% of people said that local police did a 'very good' or 'somewhat good job' on 'policing in general'. This compares with 26% of people who said that local police did a 'very poor' or 'somewhat poor job' and 24% who felt that they did 'neither a good nor poor job'.

This research shows that while there are ongoing challenges in relation to building and sustaining public confidence and trust, more is known now than ever before about the expectations of the public and those using the police service. This knowledge allows both Police Scotland and the Authority to plan improvements and tackle areas causing dissatisfaction.

38%

Have confidence in the Police

(Police Scotland – Your Police Survey 2022-23)

70%

Satisfied with Police Scotland overall

(Police Scotland – User Experience Survey Q4 2022-23)

43%

Very good/somewhat good job in local area - 'Policing in General'

(Diffley/SPA 2023)

84%

Trust the Police

(Scottish Household Survey 2021)

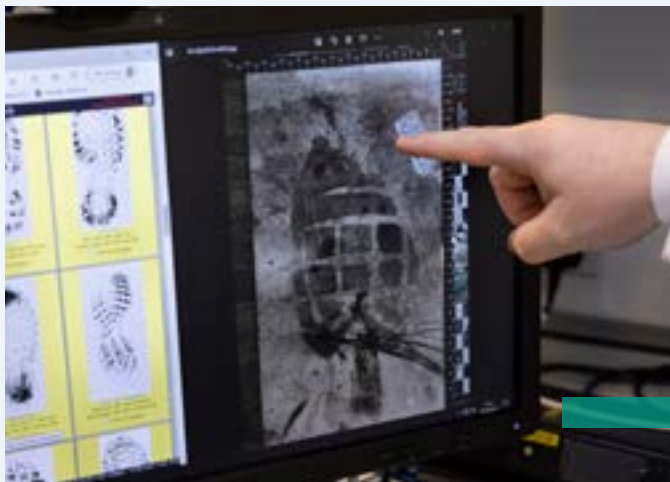
Forensic Services

Throughout the year Forensic Services has demonstrated delivery against agreed strategic outcomes and progress towards transformational change. The service has continued to address performance issues and make improvements, with a focus on increasing both capacity and quality. Previous concerns in relation to Toxicology have been tackled this year, with a joint improvement group in place involving Police Scotland, the Authority, the Crown Office and Procurator Fiscal Service and the Scottish Government.

This group has reported regularly to the Authority's Forensic Services Committee, with recent reports showing a significant reduction in case ageing. Work will continue in this area to ensure new levels of service are maintained.

Outside of Toxicology, capacity has exceeded demand in the majority of business areas, and the number of open cases at the end of the year has reduced from a total of 7,470 at the end of 2021-22 to 6,090 this year. Other important developments this year have included the transfer of Post Mortem Toxicology from the University of Glasgow to Forensic Services, and the launch of a new National Scenes Tasking Unit in Dundee.

As part of the new operating model, a newly strengthened senior management team is now in place, with additional posts now being recruited in key areas, which sees the service in a strong position moving into 2023-24.



SPA Corporate

During 2022-23 the SPA Corporate team has continued to maintain and enhance its approach to the oversight of policing and support to Authority members. Very good progress has been made in delivering against the SPA Annual Business Plan for 2022-23, the final year of the current Corporate Plan.

Key public facing activities have continued, including independent public polling on confidence in policing and the Community Confidence Action Research Project. Insights from these activities have been reported to Policing Performance Committee throughout the year and published publicly on the Authority website.

Key partners and other stakeholders have been actively engaged with over the year, with several roundtable events convened by the Authority to tackle important issues including children and young people's contact with the police and mental health. Additionally, the Authority supported two thematic reviews undertaken by the Biometrics Commissioner and put in place a strategic partnership agreement with COSLA and Police Scotland, enabling closer partnership working between local government and policing over the coming year.

The Authority has continued to seek assurance and oversee the content, progress, pace, and benefits of Police Scotland's transformational change. This approach encompasses a broad interpretation of change, encompassing infrastructure, technology, personnel, practices, and operational policies. It is being implemented and refined in close collaboration with Police Scotland and Forensic Services.

Moving forward, the new Corporate Strategy for the Authority was approved in March 2023. The Strategy sets out the strategic outcomes for the next three years, with a detailed implementation plan detailing key activities and milestones in place.

Going Concern

These financial statements have been prepared on a going concern basis in accordance with the requirement of the **Government Financial Reporting Manual**.

The going concern basis of accounting is driven by the requirement of the financial reporting framework on the presumption of the continuation of the Authority's services rather than the financial sustainability of the Authority. The Scottish Government is committed to continuing the service in line with the Police and Fire Reform (Scotland) Act 2012.

The Authority has significant net liabilities at the year end. This is mainly due to the inclusion of liabilities related to defined benefit pension schemes required by IAS19. Total pension liabilities are £13.2 billion (31 March 2022: £24.1bn), entirely attributable to the Police Officers' pension scheme

The Scottish Government fund both all ongoing employer pension contributions and the payment of pensions to beneficiaries (via the Scottish Public Pension Agency) so the settlement of the Police Officers' pension scheme liability will not be from the Authority's sources of funding. Excluding pension liabilities, the Authority has an underlying net asset position which further demonstrates that the operating model justifies treatment as a going concern.

Considering the Scottish Government's continued support and increased funding, the Authority has determined that it can continue to meet its obligations as they fall due, and it is therefore appropriate to prepare its financial statements on a going concern basis.

Future Performance and the Planning Cycle

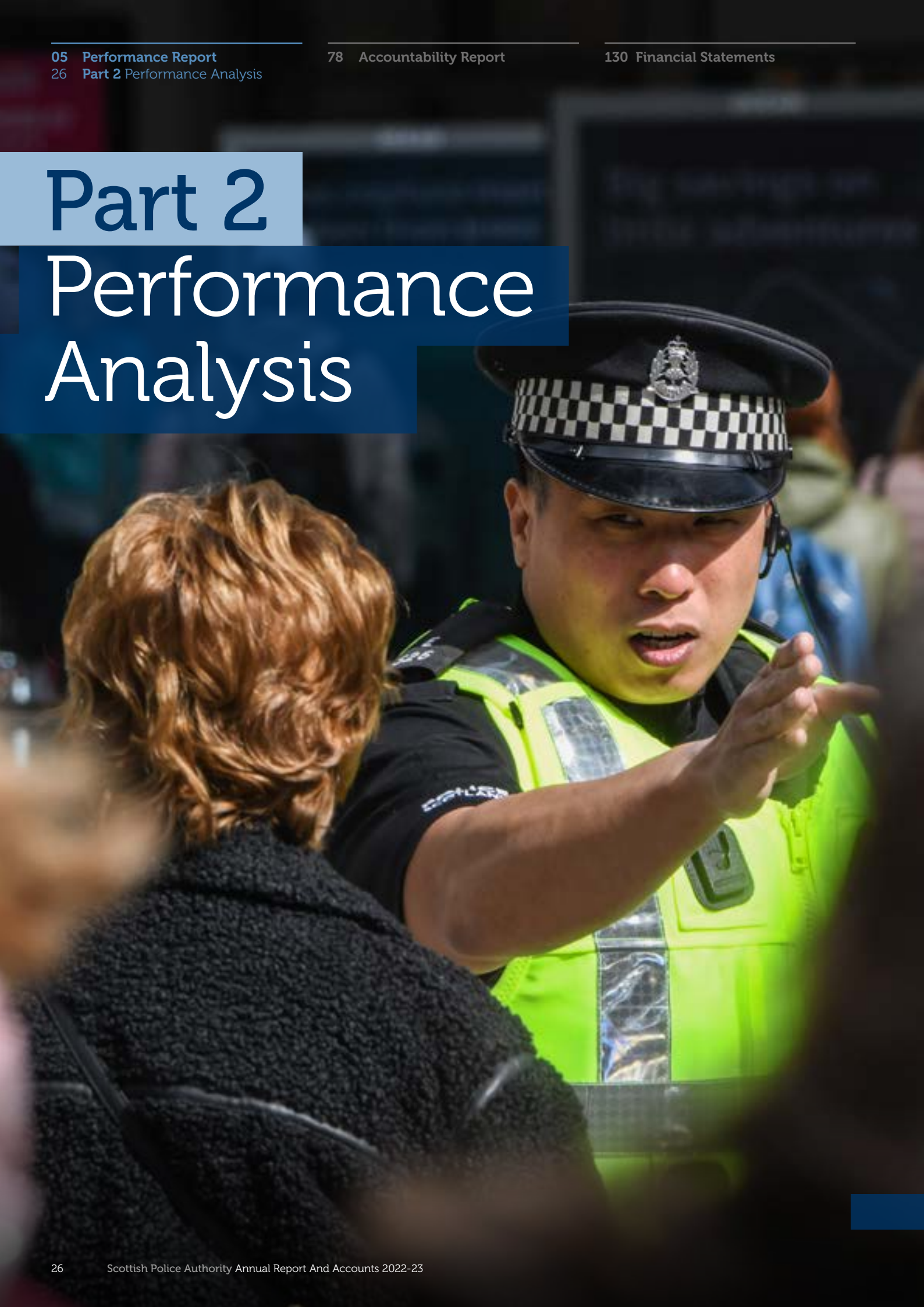
The financial year 2022-23 marks the end of current strategic planning cycle, as the final year of the Joint Strategy for Policing 2020. The refreshed Joint Strategy for Policing 2023-26 was approved by the Authority in May 2023 and will form the basis for reporting in future years. This is underpinned by delivery detail in the Annual Police Plan and Local Policing Plans for each Local Authority area as well as specific strategic for priority areas within policing such as Policing Together and the Violence against Women and Girls Strategy. The refreshed Police Scotland Performance Framework, endorsed by the Authority's Policing Performance Committee, supports oversight of performance against the joint strategy and key enabling strategies below this.

The Authority renewed its Corporate Strategy for the period 2023-26, approved in March 2023. This sets out strategic outcomes and objectives for the next three years and provides direction and focus for business planning and performance review.



Part 2

Performance Analysis



The core policing purpose and principles is set out in the previous section. This section of the report provides a review of the performance for the year.

Police Scotland operational policing performance is assessed against the strategic outcomes as set out in the Strategic Police Plan and the aligned activities described within the Annual Police Plan 2022-23, while Forensic Services performance has been assessed against the objectives set out in the Forensic Strategy. Performance evidence relating to SPA Corporate comprises progress against the SPA's Corporate Plan 2020-23, Annual Business Plan 2022-23 and a range of activities undertaken in response to external scrutiny and subsequent improvement recommendations.

Police Scotland Performance

This section provides an analysis of key crime and policing statistics in relation to the Strategic Police Plan and Annual Police Plan as outlined below. This analysis references, wherever possible, 2022-23 statistics in relation to the trends and average performance over the last five years.



Joint Strategy for Policing (2020)

Policing for a safe, protected and resilient Scotland



SCOTTISH POLICE AUTHORITY

Five strategic outcomes

1. Threats to public safety and wellbeing are resolved by a proactive and responsive police service.
2. The needs of local communities are addressed through effective service delivery.
3. The public, communities and partners are engaged, involved, and have confidence in policing.
4. Our people are supported through a positive working environment, enabling them to serve the public.
5. Police Scotland is sustainable, adaptable, and prepared for future challenges.

It should be noted that this is an overall assessment of policing performance and does not seek to reproduce the detailed performance information for 2022-23 that is set out in either the [Chief Constable's assessment of performance](#) or the [quarterly performance report](#) considered by the Authority.

Strategic Outcome 1

Threats to public safety and wellbeing are resolved by a proactive and responsive police service.

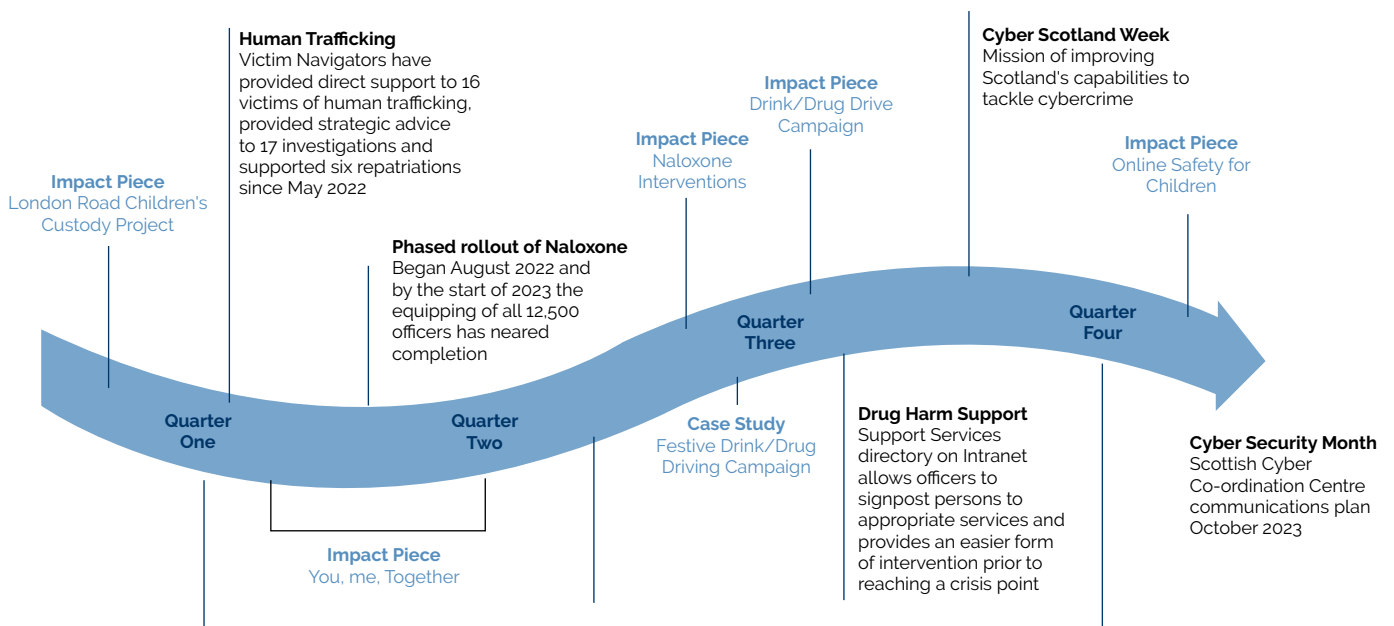
Police Scotland has a number of objectives in place to deliver this outcome, including keeping people safe in the physical and digital world, designing services jointly with partners to provide a more effective means to tackle complex public safety and wellbeing challenges, and supporting policing through proactive prevention.

Measures of performance for this outcome relate to crime numbers and detection rates across the main crime groups. A selection of measures are analysed below providing details of areas where performance has been positive this year (homicide; sexual crime reporting times; drug crime detection rates), as well as areas of ongoing challenge (fraud volume and detection rates; sexual crime and domestic abuse detection rates).

Related activities from the year are also outlined below. This includes the launch of the Police Scotland Violence against Women and Girls Strategy, essential in the response to challenges relating to sexual crime and domestic abuse, and the rollout of Naloxone, which has already had an impact on the number of drug deaths.

More details of all of these items and of other crime group performance can be found in the Chief Constable's assessment of performance and the end of year quarterly performance report.

The timeline below shows key activities and achievements from 2022-23, with further details provided in the Chief Constable's assessment of performance



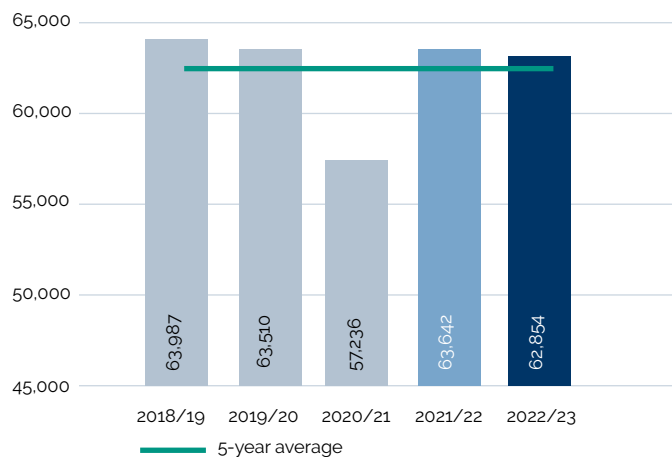
Violence Against Women and Girls
 Violence Against Woman and Girls (VAWG) Strategy was developed throughout 2022/23 and approved at the Scottish Police Authority Board. The strategy is based on wide-ranging and unprecedented engagement with the general public, women and girls, survivors of violence, key partners, academics and experts.



Overall violent crime

Overall violent crime is comprised of: murder, culpable homicide (common law), attempted murder, serious assault, robbery, common assault and common assault of emergency workers. The number of these crimes has been mostly consistent in recent years, with the exception of 2020-21 when there was a significant reduction due to COVID-19 and related lockdowns. Overall violent crime in 2022-23 continues to be at a similar level to last year and the five-year average, both in relation to number of crimes and detection rate.

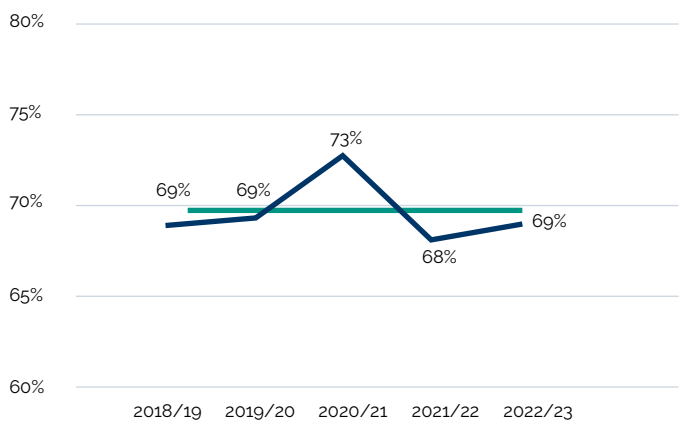
Number of crimes



However, within this group, figures specifically in relation to homicides (crimes of murder or culpable homicide (common law)) have shown improvement over recent years. The homicide rate in Scotland has been on a declining trend since the early 2000s, with the number recorded experiencing a significant decrease.

There were 48 homicides recorded in Scotland during 2022-23 comprising 47 murders and one crime of culpable homicide (common law). This was five fewer homicides than 53 last year and fewer than the five-year average. This year's figure is the lowest number of homicides in any year since the introduction of modern crime recording standards in the 1970s. In the ten years since Police Scotland's inception, there have been 605 homicides recorded and 599 homicides detected. This gives an overall homicide detection rate of 99.0% for the ten-year period.

Detection rate



Homicides

48

Homicides in 2022/23

92%

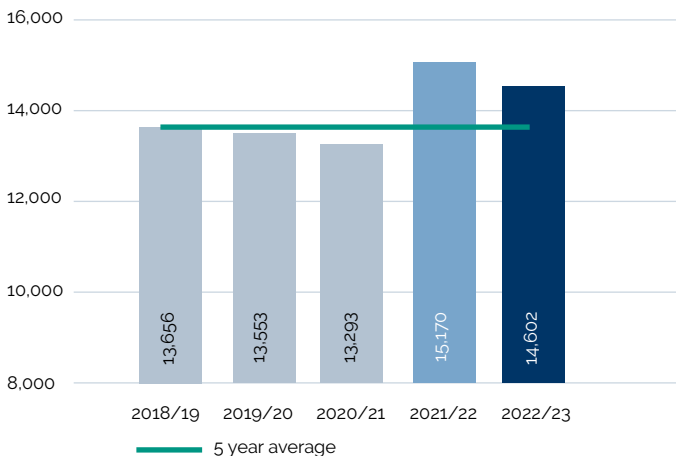
Detection rate

- **No child homicides** (in 2022-23)
- **Lower than 5-year average** (59 average 2018 – 2023)
- **Down from prior year** (53 in 2021-22)

Sexual crimes

Overall sexual crime has decreased by 3.7% (568 crimes) when compared to last year but has increased against the five-year average (up 6.8%, 931 crimes). The drivers behind the decrease from last year are reductions in sexual assault (sexual assault of a female under 13 and common law pre-2009), coercing a person into being present/looking at sexual activity, communicating indecently, and threatening to disclose an intimate image.

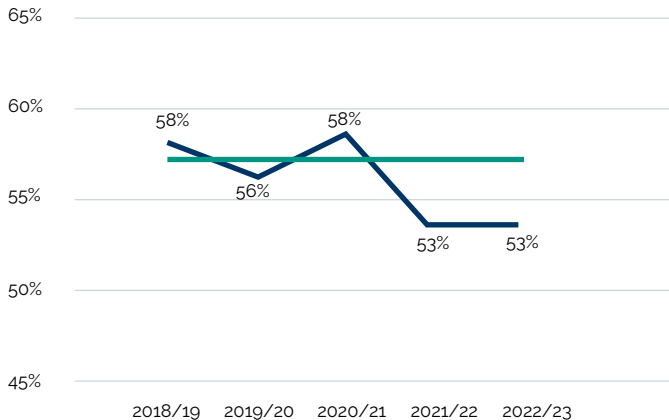
Number of crimes



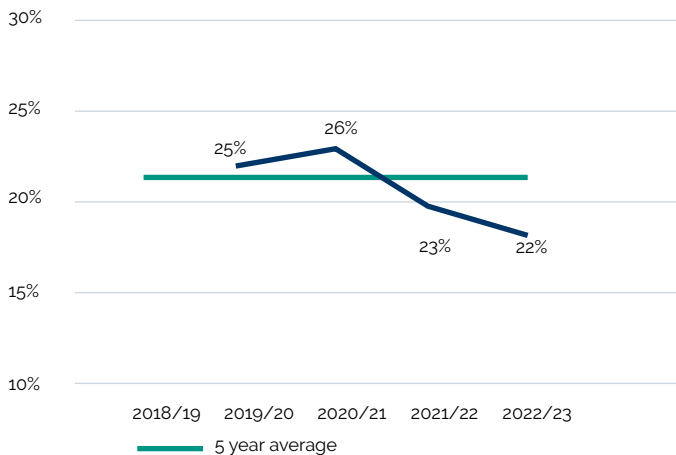
Taking, distribution, possession etc. of indecent photos of children, sexual assault of male and female over 16 and rape of a female over 16 recorded notable increases when compared to last year. Sexual assaults of a male 13 -15 have also increased.

For this crime group, the detection rate has remained steady at 53%, which is 3.3 percentage points lower than the five-year average.

Detection rate



Proportion non-recent



Non-recent reporting of sexual crimes is defined as crimes that were reported more than one year after they were committed.

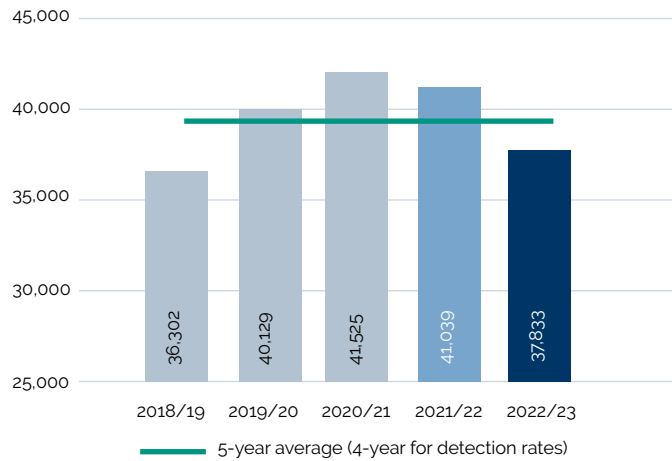
The percentage of all sexual crimes reported during 2022-23 that were non-recent has decreased to 22%, compared to both last year (23%) and the five-year average (24.7%).

This means there has been an increase in recent reporting of sexual crime during the year, and in fact over 50% of sexual crimes were recorded within one week, with the vast majority of these recorded within two days.

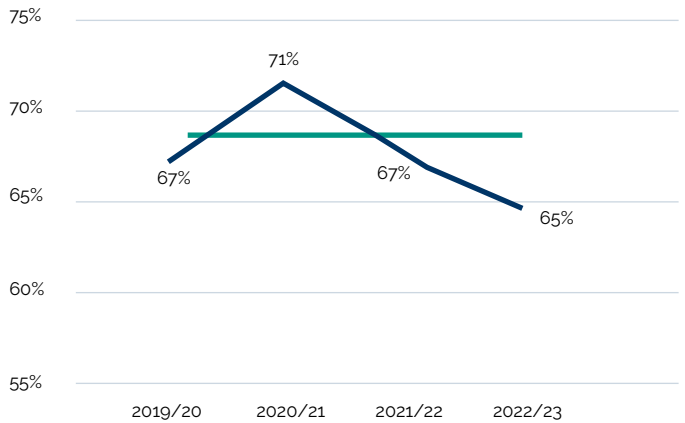
Domestic abuse

Domestic incidents and crimes continue to note decreases when compared to last year. Domestic crimes decreased by 7.8% (3,206 crimes) compared to last year and were also down 3.7% on the five-year average. Throughout the reporting period, seven domestic murders are assessed to be domestic related, compared to ten in the same period last year. Detection rates also continue to fall to 65% this year.

Number of crimes



Detection rate



61,888

Domestic abuse incidents in 2022-23

4%

Resulting in a crime



43%

Down from last year

Violence Against Women and Girls

Police Scotland's Violence Against Women and Girls (VAWG) Strategy was approved at the Authority meeting in March 2023 and sets out how Police Scotland will deliver on its commitment to act and to improve how sexual violence and domestic abuse is tackled, recognising that both crime groups disproportionately affect women and girls.

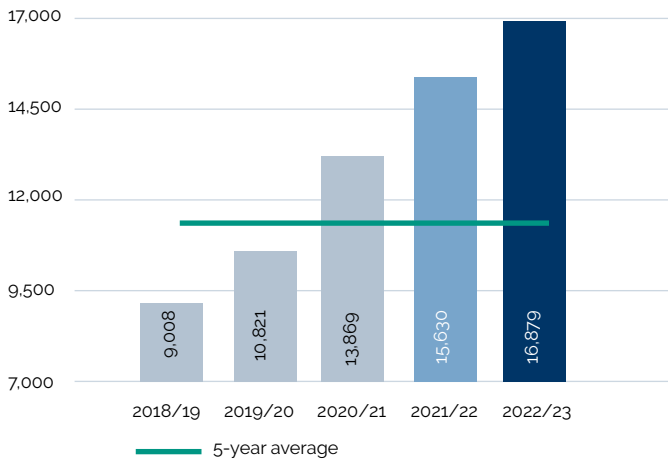
The strategy builds on existing activities including:

- **That Guy campaign** – aimed at men aged 18-35 and focused on recognising and challenging inappropriate behaviour.
- **You, Me, Together** – created in partnership with Education Scotland to teach secondary school pupils about domestic abuse in young relationships.
- **Partner Intelligence Portal** – a portal where partner agencies can submit key information they become aware of during their work to assist with identifying and tackling potential concerns.

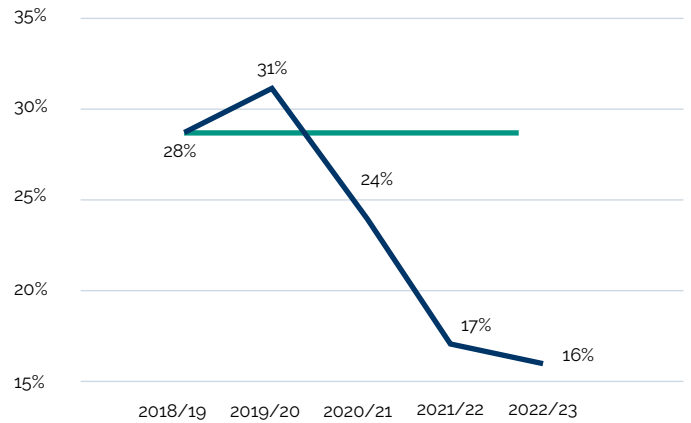
Fraud

Fraud crimes have continued to rise, increasing 8% compared to the same period last year and 47% from the five-year average. In 2022-23, 16,879 crimes of fraud were reported, which equates to an average of 46 cases per day. The detection rate has fallen to 16%.

Number of crimes



Detection rate



The majority of frauds now occur online. While statistics represent victims that reside in Scotland, many of these online frauds are perpetrated from outwith the UK, making enforcement and investigation much more challenging, particularly with Police Scotland's limited cyber capacity and minimal capability to investigate cryptocurrency crimes.

It is recognised more work has to be done to address this issue, and both the Authority and Police Scotland are committed to working with our partners to identify and implement new strategies to detect and prevent fraud. This will be delivered through the Policing in a Digital World Programme, developed during 2022-23 to coordinate activity in this area. The Cyber External Reference Group, co-chaired by Police Scotland and the Authority will inform and advise the programme.

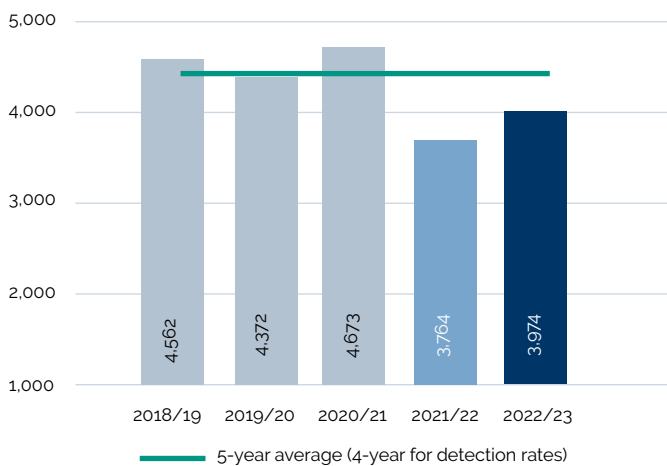


Drug related crime

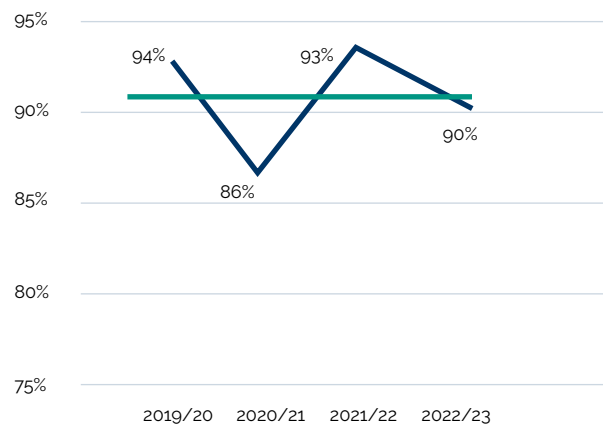
Drug supply

The number of drug supply crimes has increased by 5.6% (210 more crimes) compared to last year. In comparison to the five year average the number of crimes decreased by 10% (440 fewer crimes). The detection rate has decreased slightly by 3 percentage points compared to last year and by 0.6 percentage points compared to the five-year average.

Number of crimes



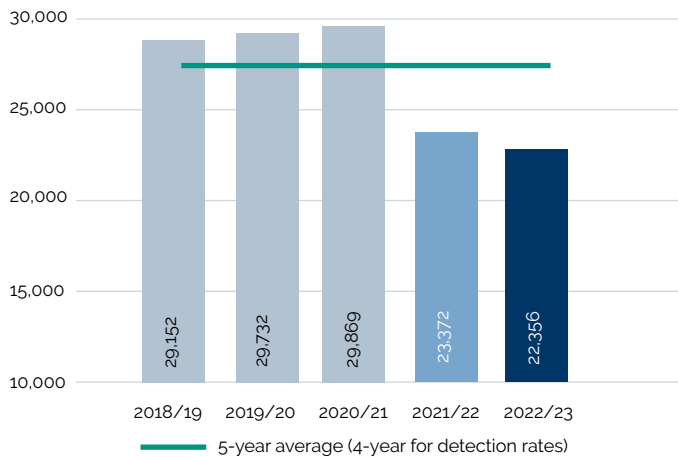
Detection rate



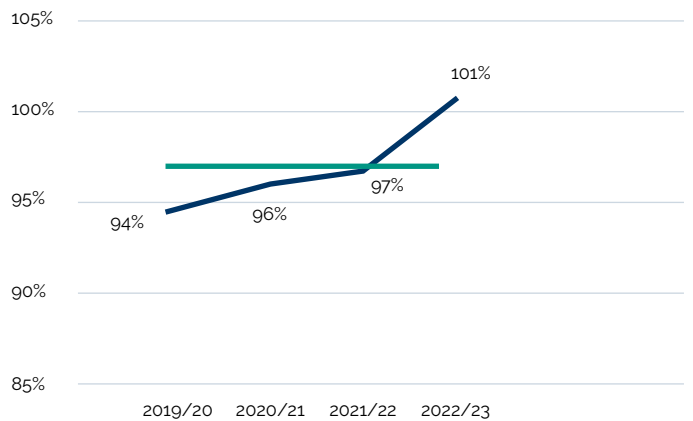
Drug possession

Drug possession crimes have decreased by 4.3% (1,016 fewer crimes) compared to last year and decreased by 19.0% (5,259 fewer crimes) compared to the five-year average. The detection rate continues to increase and has reached 101% this year (indicating that crimes from previous years have since been detected).

Number of crimes



Detection rate



Naloxone rollout

The national rollout of Naloxone to all operational officers, up to and including the rank of Inspector, began on 31 August 2022. To date the department has supplied over 10,000 individual pouches to local policing divisions for all front-line officers to be equipped with Naloxone. The project remains fully funded by the Scottish Government as part of their commitment to reduce Drug Related Deaths.

There have been 154 Naloxone interventions on people experiencing an overdose. 149 persons have shown a sufficient recovery to either receive further medical attention by medical professionals or to leave the scene of their own volition. Four people have succumbed to the effects of their overdose. Three of these people died at scene but were believed to have already been deceased on police attendance. One person was conveyed to hospital but died

one month later in the care of the hospital, due to further health complications having not regained consciousness. Naloxone was administered to all four people to give the best opportunity to protect life.

Following on from the Test of Change, there have been no concerns raised with regards to agreed processes involving police administering Naloxone or any of the post administration actions. The National Rollout will be complete imminently.

On 14 March 2023 the Scottish Government Drug Related Deaths dashboard was published, with Police Scotland data showing a reduction of 16% (203) suspected drug related deaths from January to December 2022 compared to the same period the previous year.



Strategic Outcome 2

The needs of local communities are addressed through effective service delivery.

Police Scotland has committed to understanding and supporting Scotland's diverse and changing local communities to better deliver the right mix of services to meet needs, and to retaining a focus on supporting communities using a blend of local and national expertise.

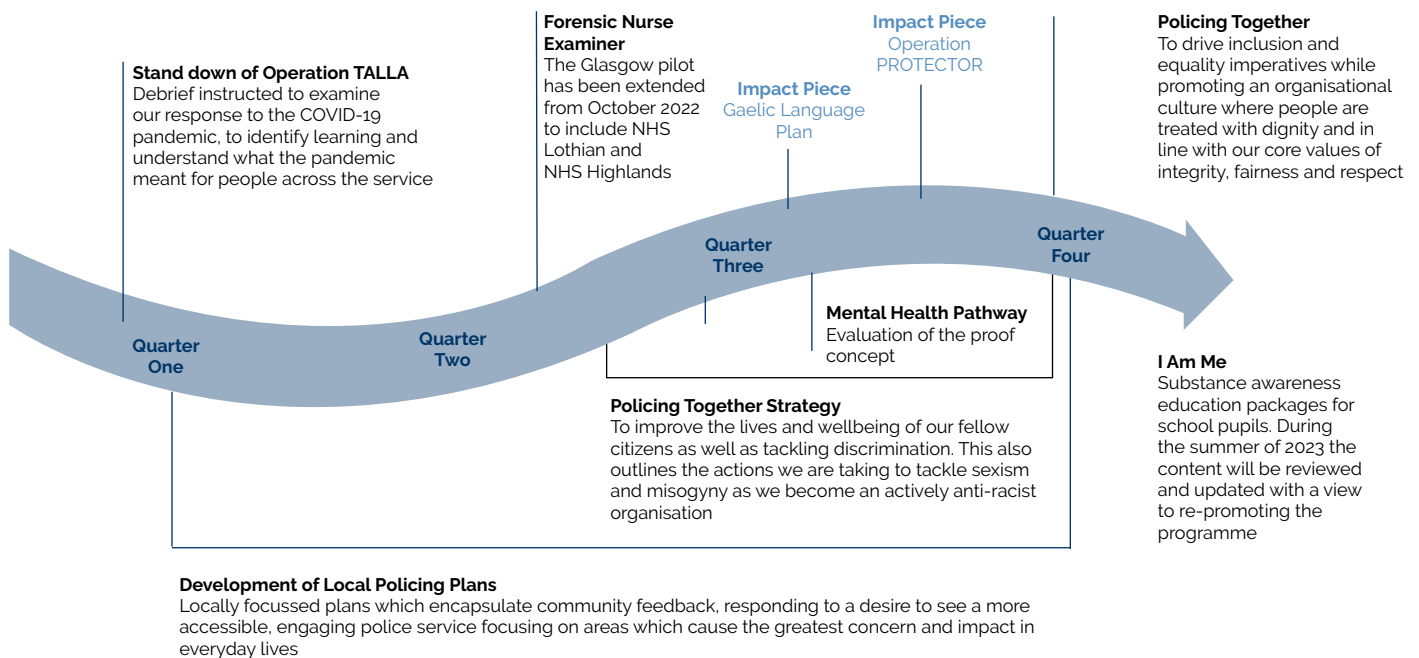
Service delivery measures for this outcome focus on call handling and incident response. 2022-23 has seen an increase in 999 calls and a decrease in 101 calls, with the average answer times for both 999 and 101 having increased. Incident demand has increased and this year over half of all incidents raised required an immediate or prompt response from police officers. 27% of all incidents led to a crime being recorded. There is growing demand in relation

to supporting the most vulnerable in our communities, including those with poor mental health. As such this section also provides information on the Mental Health Pathway which has continued to be implemented and tested during the year.

The launch of the Policing Together Equality, Diversity and Inclusion Strategy has been a key achievement this year and is covered below alongside 2022-23 hate crime figures. While there has been a decrease in the number of hate crimes recorded, detection rates have also decreased, and the breakdown of the types of hate crime recorded continues to change.

More details of all these items and of other related activities and performance results can be found in the Chief Constable's assessment of performance and the end of year quarterly performance report.

The timeline below shows key activities and achievements from 2022-23, with further details provided in the Chief Constable's assessment of performance.



Call handling

The total number of calls to Police Scotland decreased by 228,974 in 2022-23. This is a decrease of 9.5% compared to last year. There has been an increase of 5.9% for 999 calls received, however the volume of 101 calls received is showing a decrease of 15.8%. Of the calls received, 31.6% did not result in an incident or crime being raised.

During the year the average answer time for 999 calls was nine seconds, which is an increase of two seconds from last year. The average answer time for 101 calls has also increased, from three minutes 17 seconds to four minutes 27 seconds.

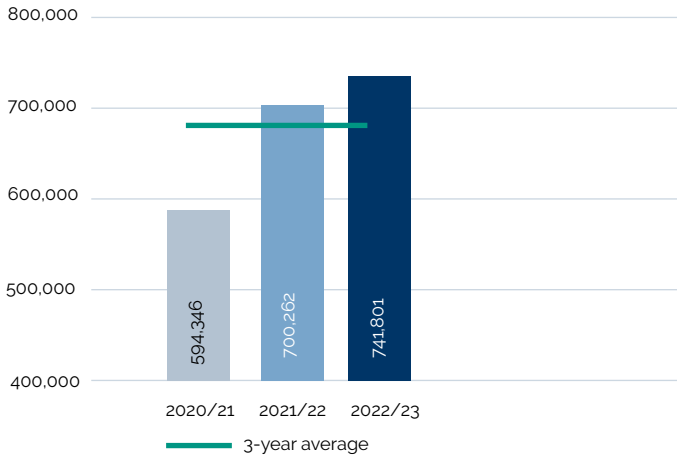
A number of key programmes have progressed throughout the year, focused on modernising contact and engagement

with Police Scotland, such as the Contact, Engagement and Resolution project; unified communications and contact project; and national integrated communications control systems project. The Authority continues to focus on oversight of this overarching programme and the anticipated impact on service delivery and user experience.

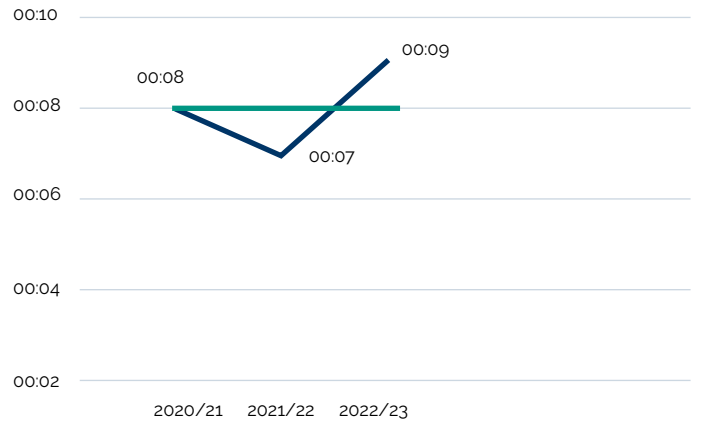
Efforts continue to signpost callers to more appropriate methods of contact, including via Contact Us on the Police Scotland website. Social media is used during periods of high demand to inform the public and provides the opportunity to educate the public on correct use of our 999 and 101 contact methods.



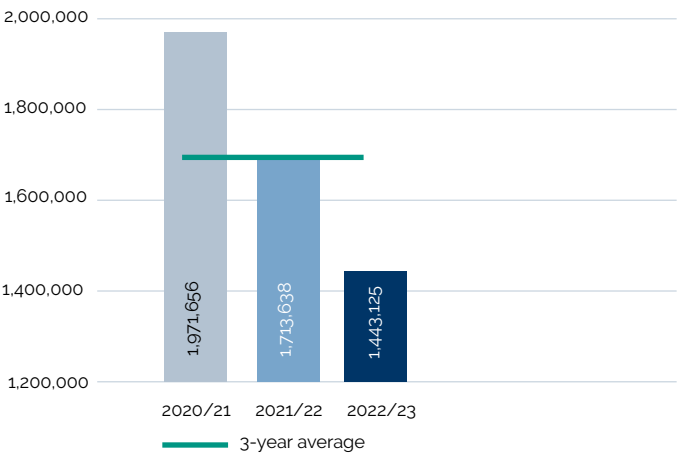
Number of 999 calls



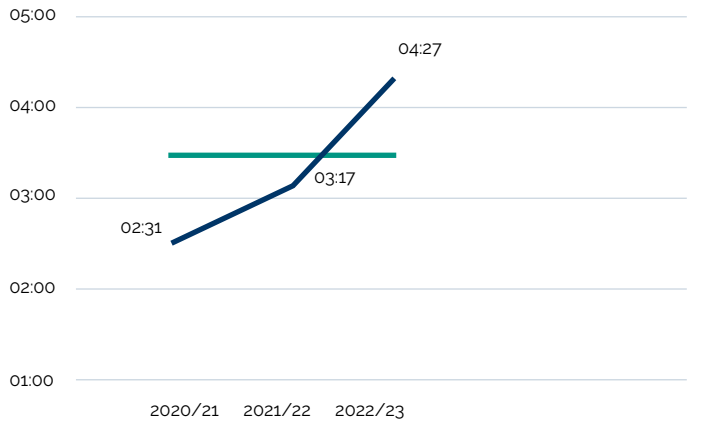
Average answer time min:sec



Number of 101 calls



Average answer time min:sec



Mental Health Pathway

The Mental Health Pathway is a collaboration between NHS 24, Police Scotland and the Scottish Ambulance Service. It has seen the establishment of a dedicated Mental Health Hub staffed by practitioners within the NHS24 Service Centre which operates on a 24/7 basis to provide mental health support to callers to the service. Callers who contact Police Scotland who are suffering mental health/distress, subject to appropriate criteria, can be referred directly to the Mental Health Hub to receive the right care at the earliest opportunity.

The pathway ensures that all relevant callers to Police Scotland have timely access to professional mental health triage and support, which improves outcomes for these individuals. The pathway is the first of its kind and not only serves to provide the right care at the right time to individuals but also alleviates in some way the increasing demands being placed on local policing.

The evaluation of the test of change for Phase 2 of the Mental Health Pathway is ongoing with a summary evaluation report presented to the MHP Strategic Group in March 2023. This identified a number of areas of work for both Police Scotland and NHS24 to further develop the pathway and provide intervention at an earlier point in the call management journey.

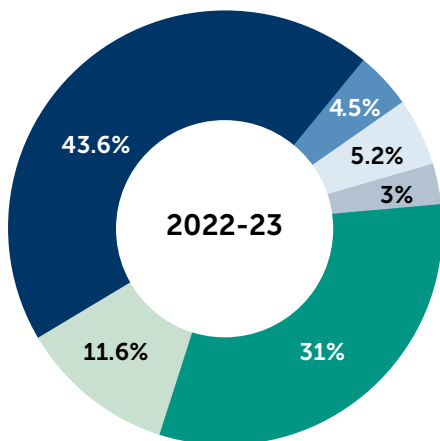
On 9 December 2022 the Authority convened a conference on the theme of Mental Health, Vulnerability and Policing. The Programme featured a range of speakers from various organisations in Scotland and beyond and led to an interesting end-of-day plenary discussion and agreement on next steps. More details are available on the [Authority website](#).



Incident demand

During 2022-23 there were 1,495,250 incidents raised in total, an increase of 0.6% from the same period last year. The new process for responding to incidents involves the allocation of local policing appointments, direct crime recording and resolution team involvement to standard incidents. This has now been fully integrated into daily business, leading to this continued increase. The most common crime types recorded for standard incidents are theft, assist member of the public, damage, road traffic collisions, fraud and neighbour dispute.

Response to incidents



- Incidents requiring prompt response - 43.6%
- Incidents requiring local policing appointment - 4.5%
- Incidents requiring direct crime recording - 5.2%
- Incidents requiring resolution team involvement - 3%
- Incidents requiring other resolution - 31%
- Incidents requiring immediate response - 11.6%

1,495,250

Incidents raised in 2022-23

27%

Led to a crime being recorded

In addition to the call numbers summarised above from members of the public, there have been over 285,000 additional public contacts during the year. These include:

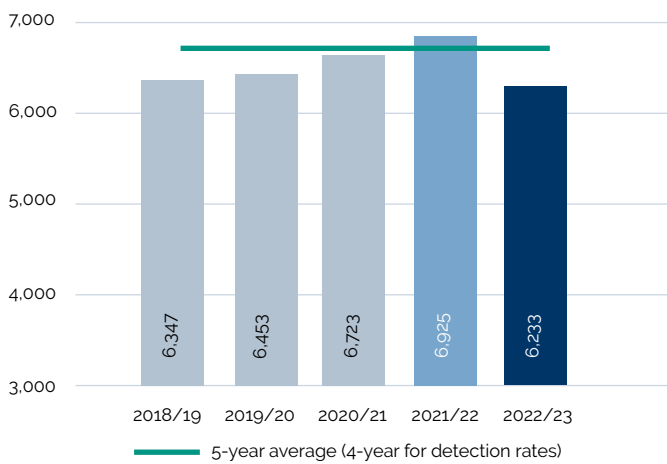
- Calls from partner agencies and alarm calls – there have been over 106,000 of these this year.
- Contact us emails – over 170,000 received.
- Online reports – over 9,000 submitted.

Overall, additional public contacts are up 6.4% from 2021-22.

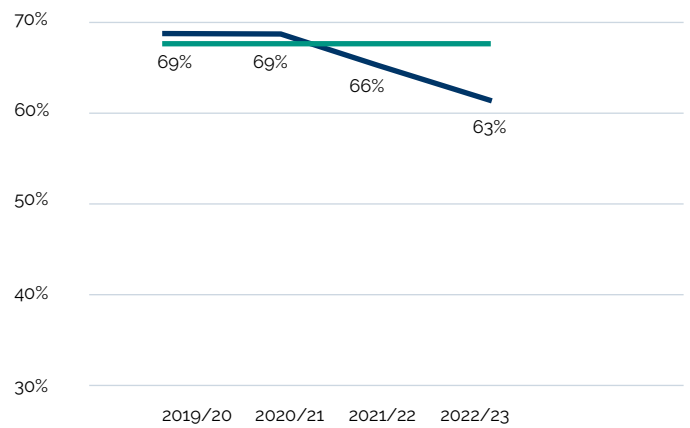
Hate Crime

Hate crimes have decreased significantly compared to last year and are also below the five-year average. The hate crime detection rate is 2.8% lower than the previous year and 4.7% below the five-year average.

Number of crimes



Detection rate



Hate crime with a race aggravator accounts for over 56% of all hate crimes however these crimes have decreased significantly when compared to the same period last year (now 504 fewer).

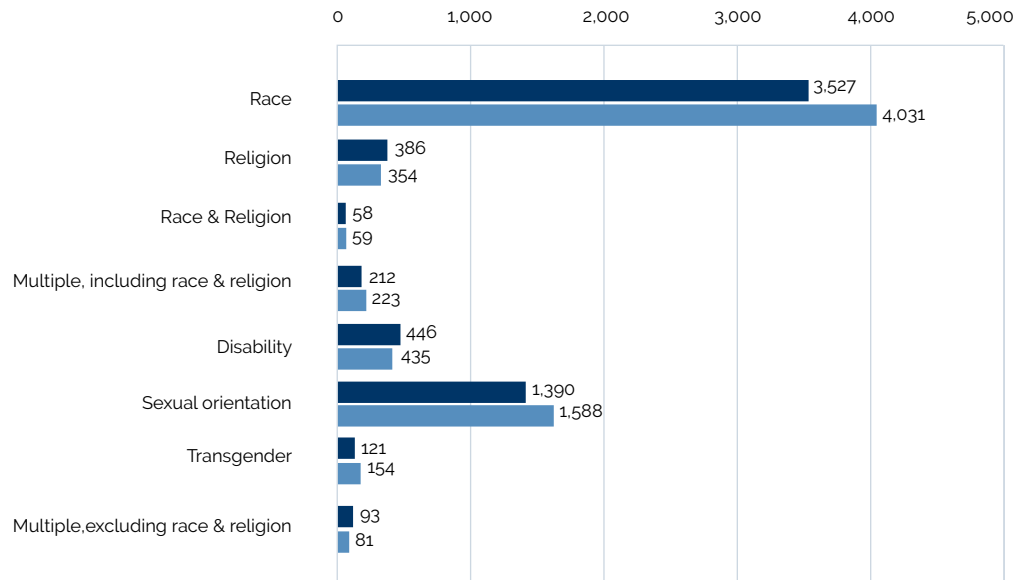
Transgender and Sexual Orientation aggravators have also decreased compared to the same period last year (33 and 198 fewer respectively). Religion has increased but remains below the five-year average of 452. Anecdotally this may be a result of an increase in Orange Order/Republican Marches and the large-scale return of fans to football games.

Disability crimes are increasing however this coincides with Police Scotland's drive to improve reporting of this type of crime with several media campaigns and enhanced partnership working.



Number of hate crimes by aggravator

■ 2022/23
 ■ 2021/22



Equality, Diversity and Inclusion Mainstreaming

The [Joint Mainstreaming and Equality Outcomes Progress Report](#) for 2021-23 was published on 30 April 2023. This is the first time Police Scotland and the Authority have developed this progress report jointly, following agreement of joint outcomes in 2021.

The report demonstrates how we keep equality at the heart of all we do and outlines the progress that has been made, including in relation to the following outcomes:

- Victims, witnesses and partner agencies feel confident to report hate incidents and received a consistent level of response and support.
- People from across protected groups access services, communication and information provided by Police Scotland and the Scottish Police Authority in ways or methods that best suit their needs.
- People from and across protected groups are meaningfully engaged, with their insights, expertise and lived experiences being used to prioritise prevention and improve our joint services.
- Women and girls at risk of becoming victims of violence, and those facing violence, are safer and confident that the police are responsive to their needs.

For each outcome, progress is summarised against the key activities set out in 2021. Where possible the updates also include insights and data against the Equality Outcome Measures. This links to the Police Scotland Performance Framework and ensures a clear alignment to routine reporting.

Progress varies across the equality outcomes, with detail included under each on work to be delivered over the remaining two years of the current commitments.

EDI Mainstreaming and Equality Outcomes Progress Report 2021-2023



Strategic Outcome 3

The public, communities and partners are engaged, involved and have confidence in policing.

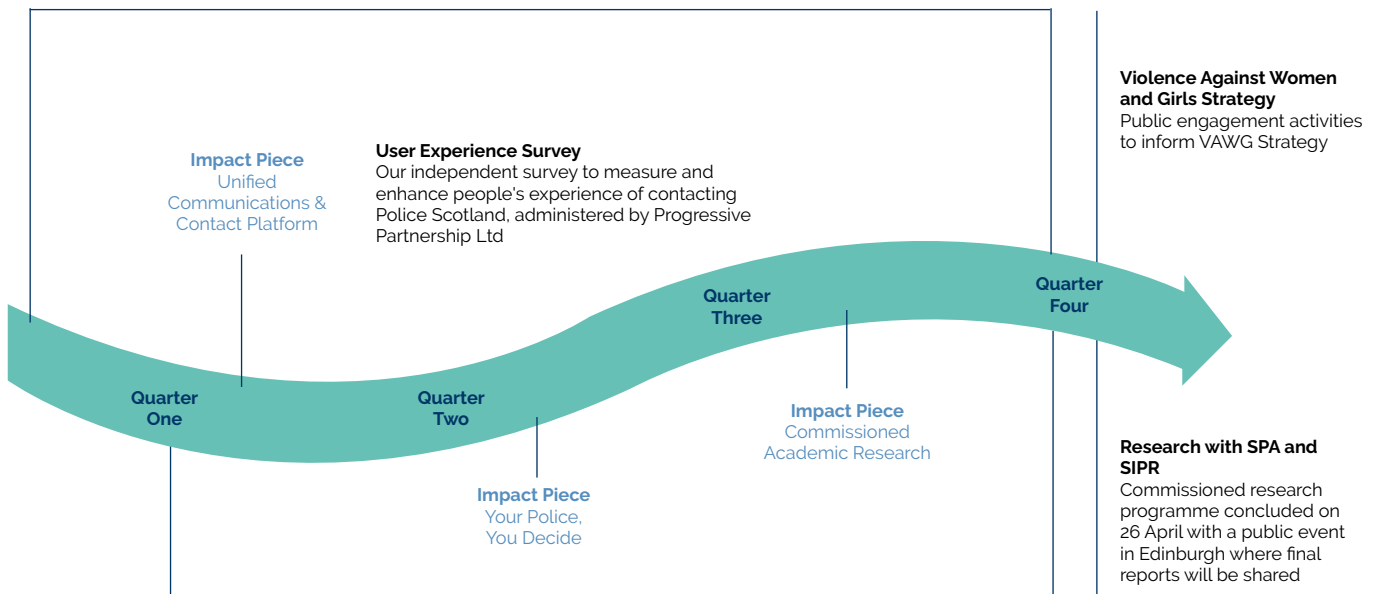
Police Scotland has committed to embedding ethical and privacy considerations that are integral to policing and protection, in recognition that the principle of policing by consent is what gives policing its legitimacy. To further the overall aim, a commitment has been made to provide services that are relevant, accessible and effective and which are grounded in partnership working with local groups and the public, private and third sectors.

Measures of performance for this outcome relate to a variety of feedback methods that help us to determine confidence in policing. Building and sustaining public trust is an ongoing challenge, with slight decreases in the proportion

of respondents who said they felt safe in their local area and those who agreed that police listened to the concerns of local people. User satisfaction has also decreased, with a range of areas for improvement now identified and being tackled.

More details of all these items and of other crime group performance can be found in the Chief Constable's assessment of performance and the end of year quarterly performance report. In relation to complaints, further details can be found in the relevant annual and quarter four reports that were presented to the Authority's Complaints & Conduct Committee in [June 2023](#).

The timeline below shows key activities and achievements from 2022-23, with further details provided in the Chief Constable's assessment of performance.



Your Police Survey

Your Police received 16,993 responses between 12 April 2022 when it opened and 27 March 2023. This included 95 British Sign Language (BSL) responses. The survey continues to be representative of the population by age, gender, disability and long-term conditions and geography

Public confidence

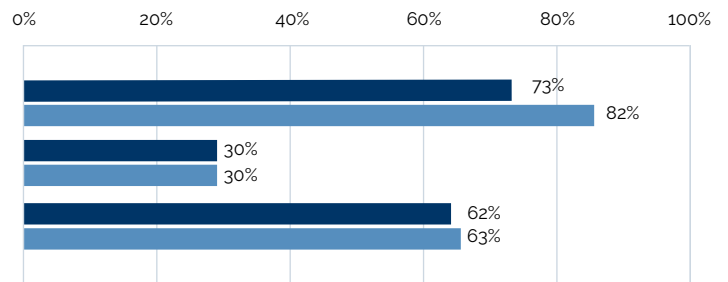
The Your Police survey continues to be the largest of its kind in the UK and involves the public in a conversation about policing and their local community. The survey received 16,953 responses during the year. This includes 95 British Sign Language (BSL) responses.

Respondents who said they felt very or fairly safe in their local area have decreased to 73% this year. The percentage who agreed police listen to the concerns of local people and agreed that local police are friendly and approachable have remained fairly stable. These questions are seen to have strong correlations with the overall confidence in policing, as highlighted in the Performance Summary above.

Survey results

- 2022/23
- 2021/22

- Feel very safe or fairly safe in their area
- Strongly agree or agree that police listen to concerns of local people
- Strongly agree or agree that local police are friendly and approachable



User satisfaction

The overall satisfaction of those calling Police Scotland has remained fairly steady between 66% and 70% during the year, ending at 70% in the final quarter's survey. However, those responding positively in the areas of ease of contact, providing the appropriate response, and being kept informed of progress have decreased as shown below.



Survey results

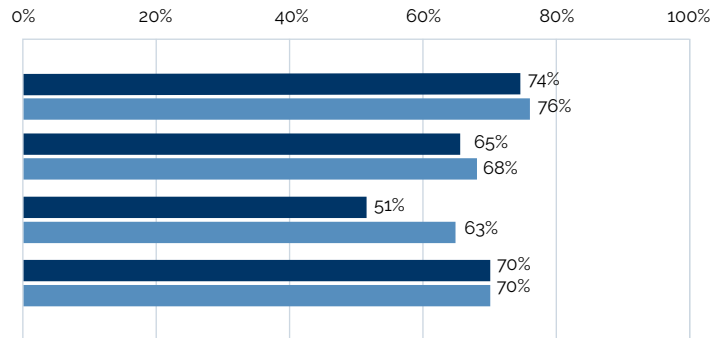
- G4 2022/23
- G4 2021/22

Easy or very easy to contact the police

Police provide the appropriate response

Adequately informed about the progress made

Overall satisfied or very satisfied with Police Scotland



Key areas for improvement have been identified from the survey and will now be taken forward as part of staff training and process review. The main themes included the following:



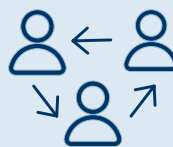
Waiting times for 101 non-emergency incidents



Recording incorrect details of incident



Lack of sympathy / compassion



Being passed between a number of different staff/ departments



Lack of updates/ follow up – no call backs



Not being taken seriously enough

Complaint handling

Annual complaints handling performance reports for both the [Authority](#) and [Police Scotland](#) were presented to the Complaints & Conduct Committee in June 2023, along with an annual report on [Police Investigations and Review Commissioner](#) (PIRC) Complaint Handling Reviews.

The [Independent Review of Complaints Handling, Investigations and Misconduct Issues in Relation to Policing](#), led by Lady Elish Angiolini, recommended that the Committee's scrutiny function report annually on trends; improvements or concerns; and using complaints data as an indicator of communities' satisfaction or dissatisfaction with policing services. The Committee annual report for 2022-23 will be published in due course (expected by end of September 2023), expanding on the summary information set out below. It should be recognised that performance statistics are a snapshot in time, correct only at the time collated and differences may be seen in statistics previously reported.

Complaints	2022-23 YTD	2021-22 YTD	% Change from Previous Year	5 Year Mean	% Change from 5 Year Mean
Total number of complaints from members of the public (Police Scotland)	6,621	6,679	-0.9%	6,491	+2.0%
Total number of complaints from members of the public (SPA, including Forensic Services) ¹	1	12	-91.7%	19	-94.7%

¹ 2021-22 Annual Report included data on wider complaints within SPA remit, not limited to 'relevant complaints'.

Any reference to complaints below means '[relevant complaints](#)' as per the Police and Fire Reform Act (Scotland) 2012 at Section 60, and defined in [further detail](#) in the Police, Public Order and Criminal Justice (Scotland) Act 2006 at Section 34.

The Independent Review further recommended that the Authority should confirm each year, based on an informed assessment by the Committee and evidence from relevant audits, its view as to the suitability of Police Scotland complaint handling arrangements. In respect of 2022-23:

- 31 of 36 recommendations directed singly or jointly at Police Scotland from the Review have been discharged following initial assessment of evidence by HMICS and consideration by multi-agency national governance arrangements. These represent significant developments across audit & review; efficiency & effectiveness; equality, diversity & inclusion; governance & accountability; rights & ethics; training & HR; and transparency & accessibility. Further detail is available via the Scottish Government website where thematic progress reports are published (the [latest edition](#) dates to May 2023).
- In May 2021, following a successful pilot, Police Scotland implemented a new national complaint handling operating model, whereby all non-criminal complaints are recorded, assessed and managed within the Professional Standards Department, including those which would previously have been managed within local and specialist Divisions.
- An initial joint audit, by the Authority and the PIRC, examined the triage and assessment of complaints received between February and July 2021. A [report](#) on its findings was presented to the Committee in June 2023.
- In 2022-23, despite a slight decrease in complaints received compared to 2021-22, there was an increase in the proportion requiring formal investigation and determination, versus those able to be resolved via Frontline Resolution (FLR) (i.e. via explanation, assurance or apology). 2022-23 also saw an increase in complaints alleging criminality.

- On average, non-criminal complaints (including those resolved via FLR) took 78 days to close, continuing an earlier increasing trend, although there has been an improvement in the proportion closed within 56 days compared to 2021-22.
- The proportion of complaints upheld by Police Scotland continues to see a year-on-year reduction, although trend data is currently inclusive of cases resolved via FLR (which do not require formal determination).
- 74% of complaints subject to a Complaint Handling Review (CHR) by the PIRC were assessed as being reasonably handled (the highest recorded figure to date), with a further reduction in the number of recommendations and unsupervised reconsideration directions issued to Police Scotland. That said, recommendations continue to consistently identify common themes.

Engagement with Police Scotland continues in respect of the developing content of Committee assurance reports, with a view to enabling the Authority to provide a more informed assessment as to the suitability of Police Scotland complaints handling arrangements. Going forward, further assurance is required around improvements made in response to the above joint audit recommendations, to ensure that non-criminal complaints (not suitable for FLR) are being addressed within reasonable timescales, and that learning arising from upheld complaints is being captured and implemented to prevent recurrence. Nevertheless, based on the above, there is evidence of further progress during 2022-23.

On 6 June 2023, the Police (Ethics, Conduct and Scrutiny) (Scotland) Bill was introduced to the Scottish Parliament. The Bill seeks to implement those recommendations made by the Independent Review which require legislative change. The Authority and Police Scotland have had significant engagement with the Independent Review, as well as the Scottish Government during the pre-Bill consultation process, and this engagement will continue during progress of the Bill through the Scottish Parliament.

Data Ethics Framework

As the capabilities of new technologies continue to rapidly advance, their role in policing is also growing. Technologies can enable improvements in policing, lead to better criminal justice outcomes and importantly prevent harm and keep communities safe. While it is essential that policing keeps pace with emerging technologies, there are often ethical concerns around the use of new and emerging technologies in policing which must be considered.

To ensure that they can continue to adapt and respond to emerging challenges and opportunities, Police Scotland developed a Data Ethics Strategy and accompanying Data Ethics Governance Framework, setting out plans to become "an organisation driven by effective and efficient use of data, in an ethical way." Since being endorsed, at the May 2022 meeting of the Audit, Risk and Assurance Committee of the Authority, several technology initiatives have now progressed following the agreed governance route.



Strategic Outcome 4

Our people are supported through a positive working environment, enabling them to serve the public.

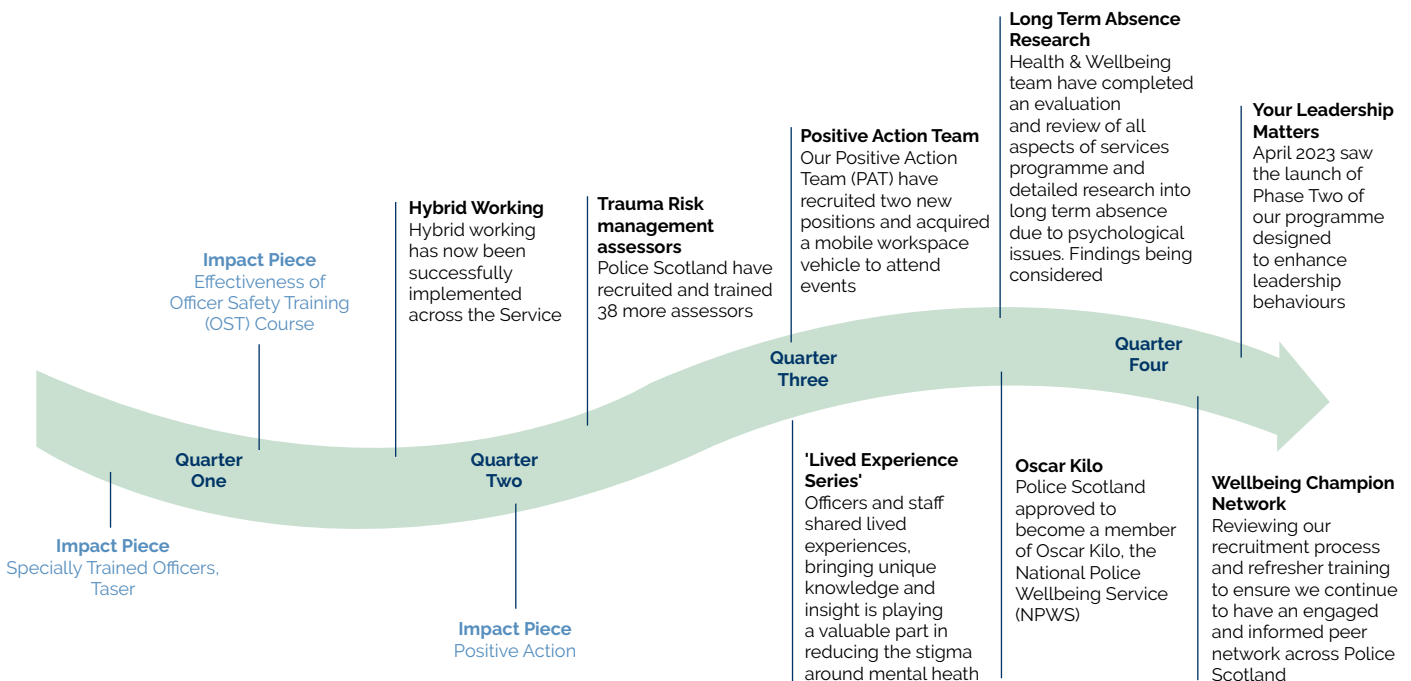
Police Scotland has put into effect a series of commitments in its planning arrangements to prioritise the wellbeing and safety of officers and staff and ensure that they are well-equipped and protected. A commitment has been made to support officers and staff to be confident leaders, innovative, active contributors and influencers. Police Scotland has also committed to support its workforce to identify with, and demonstrate, Police Scotland values and have a strong sense of belonging.

This outcome centres on the safety and wellbeing of the police workforce, and as such the measures of performance included in this section are key people-related measures. This includes assaults on police officers and staff, and absence levels for police officers and staff,

both of which have reduced this year. However, absence due to psychological disorders has increased, and this remains an area of focus moving into the new financial year. The Lifelines Scotland programme and Trauma Risk Management (TRiM) approach to assessment both contribute to improving the support available to officers and staff.

More details of other related activities and performance results can be found in the Chief Constable's assessment of performance and the end of year quarterly performance report, as well as in reports presented to the Authority's People Committee in [May 2023](#). There is also additional workforce information included in the Staff Report section of this document.

The timeline below shows key activities and achievements from 2022-23, with further details provided in the Chief Constable's assessment of performance.



Assaults on police officers and staff

In 2022-23 there have been 6,657 assaults on Police Scotland officers and staff, which is an average of 18 assaults every day. However, this does reflect a decrease from last year (down 438, -6.2%) and the five-year average (down 143.2, -2.1%). This is the lowest quantity of assaults on officers/staff since 2018-19.

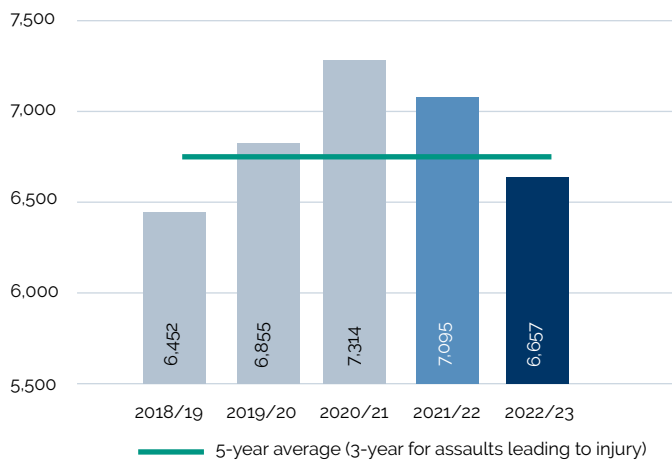
There have been a total of 26 serious assaults on officers/staff during the year, which is a decrease of four compared to the previous year and a decrease of 1.4 compared to the five-year average. The 2022-23 injury rate (26%) has also decreased from last year and the three-year average.

The top three methods of assault that resulted in officer/staff injury for 2022-23 were:

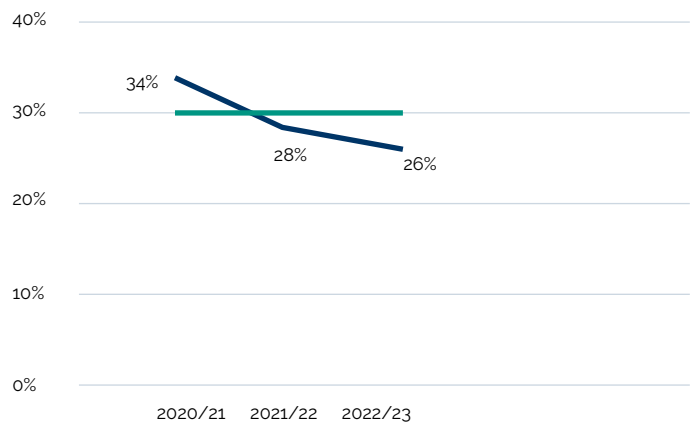
- **Kicking** (365, 22.5% of all kickings resulted in an injury).
- **Punch** (181, 33.8% of all punches resulted in an injury).
- **Human Bites** (151, 41.6% of all human bites resulted in an injury).

Through more detailed divisional criminal intelligence analysis, it has become possible to more effectively identify prolific repeat offenders, which is a potential contributory factor in the decrease in assaults against Police Scotland officers and staff.

Number of crimes



Percentage leading to injury



Body Worn Video

The use of body-worn video (BWV) technology provides an additional level of transparency and accountability at incidents, ensuring the gathering of best evidence, and supporting the maintenance of public trust in policing, as well as helping to safeguard police officers. Police Scotland has invested significant effort in consulting and engaging the public and stakeholders on the wider use of BWV in policing and levels of support have been found to be extremely high, with more than 80% of people saying that its use would strengthen their trust and confidence in Police Scotland.

Police Scotland presented their Initial Business Case for National Body-Worn Video to the Authority's Resources Committee in November 2022, setting out the strategic intention to introduce Body-Worn Video for all operational officers and staff. The Full Business Case is expected at Resources Committee in 2023-24 and implementation of this project is expected to take start towards the end of Q4 2023-24.



Absence

Absence for both police officers and staff has reduced compared to last year. This is driven in part by the reduction in COVID-related absence which has continued for both officers and staff, down 2.1 and 1.2 percentage points respectively.

In terms of non-COVID-19 related absence, 'Psychological Disorders' remains the highest cause of sickness absence across the workforce. There has been an increase of 0.2 percentage points in percentage of working days lost for police officers who present this as their cause of absence and there is a slight easing of the number of staff working days lost (down 0.2 percentage points).

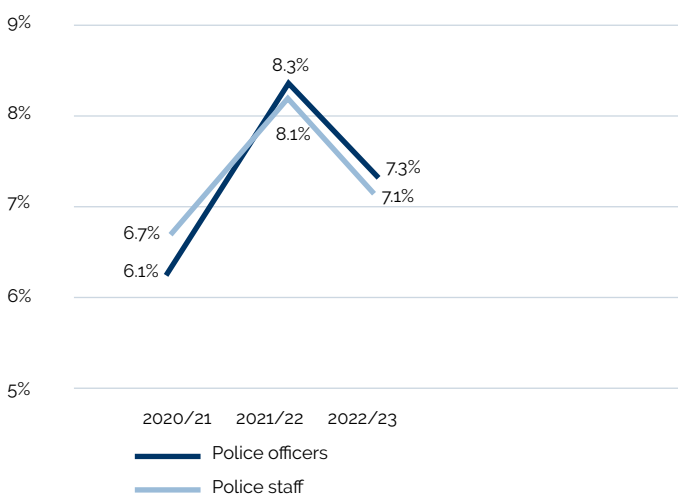
Over the past year the Police Scotland's Health & Wellbeing team have undertaken detailed research into long term absence due to psychological issues in order that the organisation can further strengthen both preventative and supportive interventions for our workforce to engage with.

Over the past year the Police Scotland's Health & Wellbeing team have undertaken detailed research into long term absence due to psychological issues in order that the organisation can further strengthen both preventative and supportive interventions for our workforce to engage with.

A number of priorities have emerged from this review work, including:

- Reducing the stigma which still exists around health and wellbeing, particularly mental health and the seeking of support.
- Development and training of all officers and staff, with a specific focus on those in line management and senior ranks.
- Recognising the importance and role of peer support amongst our people.

Percentage of working days lost



Working days lost due to psychological disorders

1.7%
 Police officer
 in 2022-23

1.6%
 Police staff
 in 2022-23



Wellbeing

Police Scotland launched a revised support offering, underpinned by Lifelines Scotland and Scottish Mental Health First Aid, training which will ensure staff and officers are provided with detailed and relevant advice on how to seek support and will be signpost through the right pathway. Additionally, a 'train the trainer' programme delivered by Lifelines Scotland will further expand capacity to deliver resilience, self-care and post trauma support training.

Demand remains high for the trauma risk management (TRiM) service; with actions underway to further develop the approach including uplifting the number of trained assessors, recruiting TRiM co-ordinators in specialist divisions, and developing support material for supervisors to enable them to confidently support and signpost employees to trauma risk support services.



Strategic Outcome 5

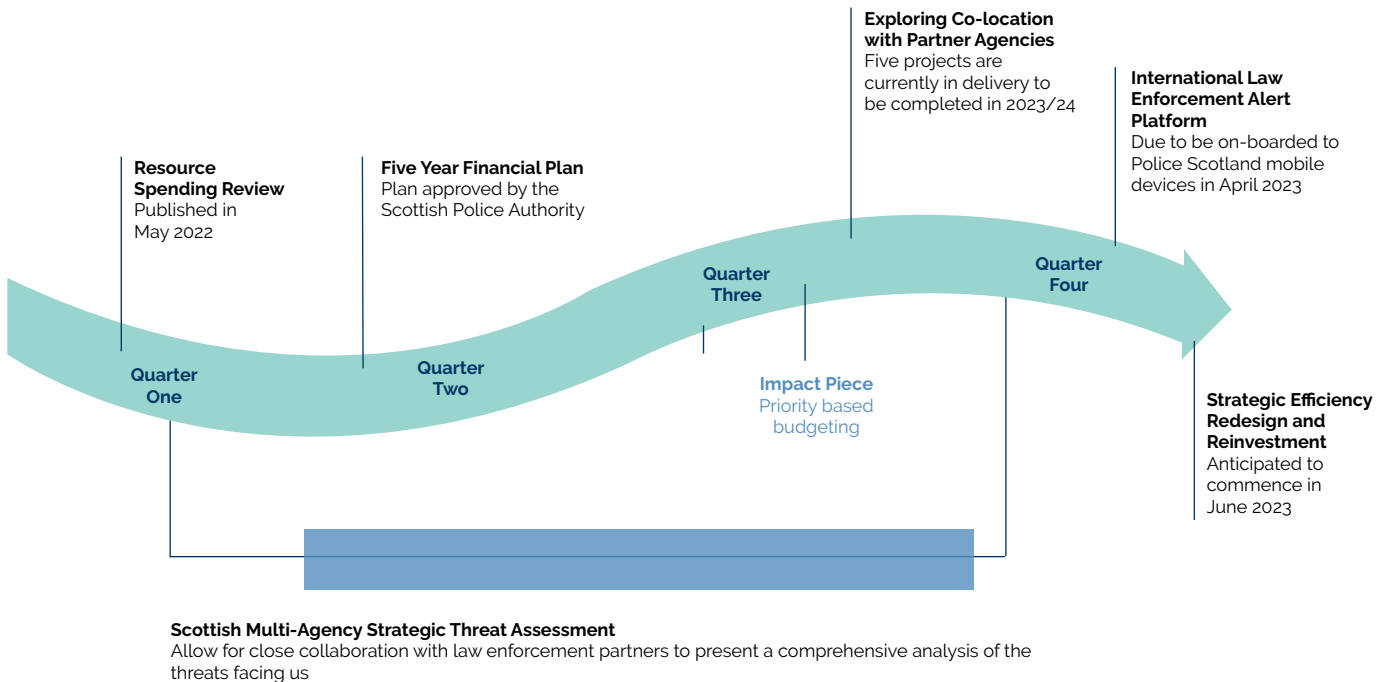
Police Scotland is sustainable, adaptable and prepared for future challenges.

Police Scotland has several planning objectives in place to promote the sustainability of the service, including the use of innovative approaches to accelerate capacity and capability across the organisation; and has also committed to making a positive impact through outstanding levels of environmental sustainability. Plans are in place to ensure that operational policing is being supported using appropriate digital tools and the delivery of continuous improvement (Best Value).

Key measures of performance for this outcome relate to sustainability. The information set out below includes positive changes including an increase in Police Scotland buildings co-located/shared with partners and reduced direct carbon dioxide (CO₂) emissions. Gas and electricity consumption has also improved this year. In relation to Police Scotland's vehicles, 26% of the current fleet are now ultra-low emission.

More details of other related activities and performance results can be found in the Chief Constable's assessment of performance and the end of year quarterly performance report.

The timeline below shows key activities and achievements from 2022-23, with further details provided in the Chief Constable's assessment of performance.



Estates

As at the end of 2022-23, 64 locations (21% of the footprint of the Police Scotland estate) were co-located/shared with partners. New co-location estates have been established this year in Maybole with South Ayrshire Council and a new Public Protection Unit victim support suite at Dumbarton.

Based on the recent Building Condition Survey, 3% of sites are Grade A, 84% are Grade B and 13% are Grade C for energy efficiency. Sanderson Weatherall LLP were appointed in April 2022 to create an implementation plan for Priority 1 works and a 10-year Strategic Plan for prioritisation of projects and future investment, all aimed at improving the condition of the current estate.



Source: Scottish Crime and Justice Survey

Environmental Sustainability

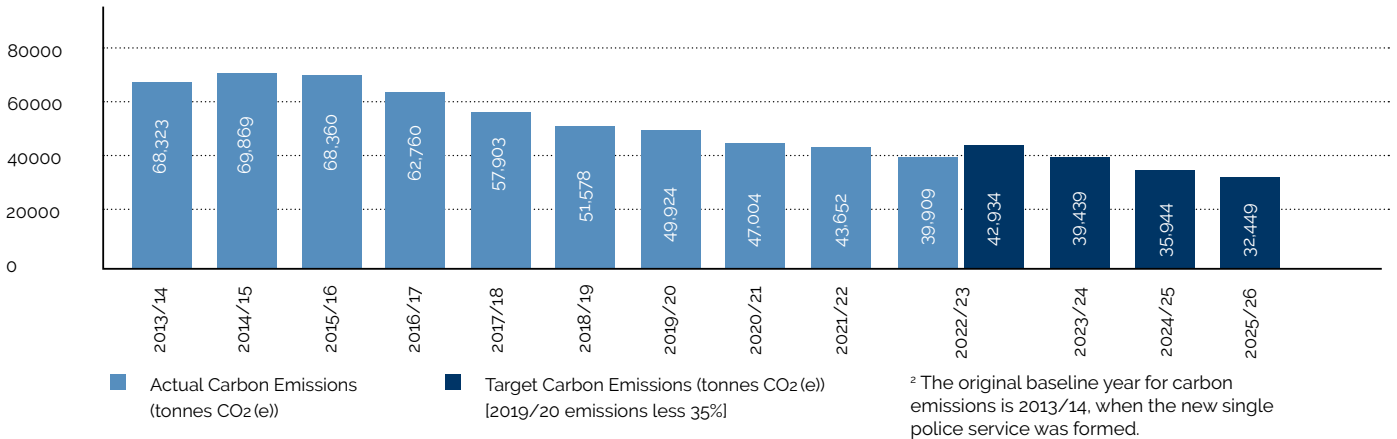
The Service is also required to report on this work in the Public Bodies Duties Climate Change Report to Government each November and the triennial [Biodiversity Report \(2020\)](#).

Encouraging progress is being made in delivery of the [2021 Environmental Strategy](#). This targets a reduction of **35%** from 2019-20 CO₂e emission levels by 2026; building on reductions of **25%** already achieved since 2013-14, as reported in prior years. The current reduction is **ahead of plan** through an ongoing mix of electrification of the motor fleet, energy efficiency, building rationalisation, implementation of renewable energy generation and a reduction in carbon generation sources for grid electricity. There may have been offsetting increases in indirect emissions due to, for example, changes in working practice since the pandemic (with more staff working from their own homes), but this is challenging to quantify.

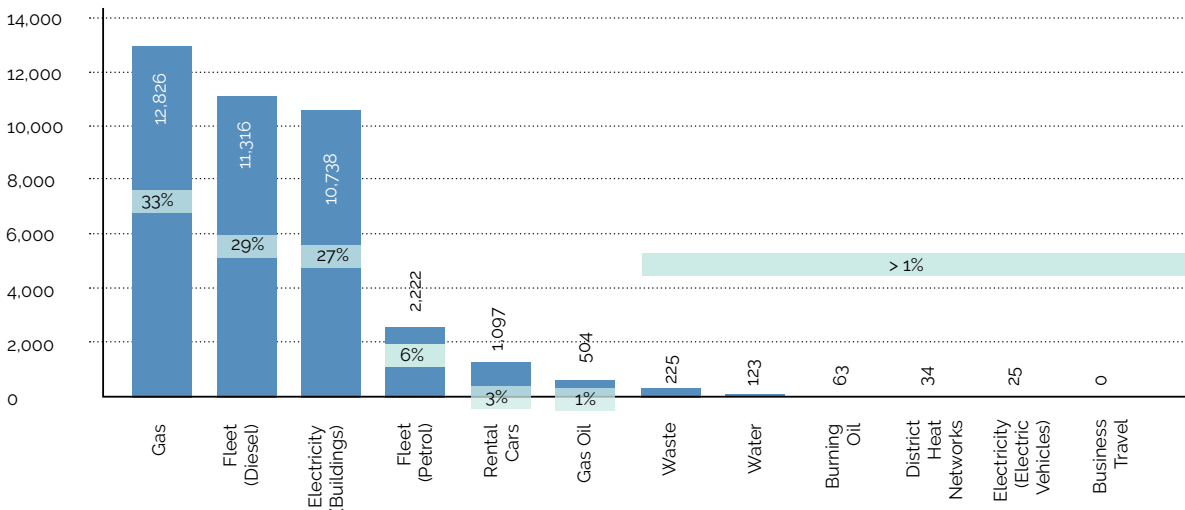


Sustainability Performance Scorecard 2022/23						
Direct Carbon Emissions (Tonnes of CO ₂)						
Indicator	19/20	20/21	21/22	22/23	Trend (22/23 vs 21/22)	Overall Trend
Estates	32,600	30,434	27,357	24,630	▼	▼
Fuel	16,620	16,255	14,722	13,531	▼	▼
Business Mileage	704	315	317	491	▲	▲
Car Hire	N/A	N/A	1,247	1,097	▼	▼
Electric Vehicles	N/A	N/A	9	160	△	△
Total	49,924	47,004	43,652	39,909	▼	▼
Units of Energy Consumed (Kilowatts/hour kWh)						
Electricity	57,095,453	54,272,696	52,275,663	50,419,549	▼	▼
Electric Vehicles	N/A	N/A	105,995	756,707	△	△
Gas	84,161,698	84,782,872	78,431,809	71,257,904	▼	▼
Units of Fuel Consumed (Litres)						
Fuel	6,279,912	6,185,507	5,621,148	5,228,708	▼	▼
Waste and Renewable Energy (kWh Generated/Tonnes Produced)						
Renewable (kWh)	127,937	133,311	187,747	192,691	△	△
Waste (tonnes)	2,433	2,090	2,073	1,833	▼	▼

Carbon Emissions (tonnes CO₂ (e))²



Sources of Carbon Emissions 2022-23 (tonnes CO₂ (e))



Renewables

As reported last year, Police Scotland have now completed a technical review of the estate to assess the potential for wider roll out of renewable technology (primarily photovoltaic [PV] or solar panels). As a result, 20 sites have been identified as suitable for solar PV that is now moving into Tender preparation with an aim for onsite installations to begin later in 2023 and complete within 2024. This will reduce use of grid electricity and help to mitigate the uplift in electricity consumption due the increased use of electric vehicles.

Currently 13 sites have active solar PV generation that generated 192,691 kWh of electricity in 2022-23 (2021-22: 187,747 kWh), equating to a carbon emissions saving of approximately 40 tonnes of CO₂e (2021-22: 43 tonnes CO₂e when considering changes to carbon emission conversion factors).

Fleet

Police Scotland is working towards an Ultra-Low Emission Fleet as part of the Fleet Strategy. Work is ongoing with the Ultra-Low Emission Vehicle (ULEV) Board, the Fleet Implementation Group and key stakeholders. These include internal stakeholders and external agencies such as Transport Scotland, Scottish Fire and Rescue Service, Scottish Ambulance Service and local authorities where sharing of resources is possible.

Police Scotland's fleet is the first blue light fleet in the UK to make that commitment of greening the entire fleet of approximately 3,500 vehicles. The approved Fleet Strategy is to move to fully ULEV by 2030 in line with Scottish Government recommendations.

ULEV vehicles currently make up 26% of Police Scotland's overall fleet at the end of 2022-23. 38% of the ULEV vehicles are unmarked.

Work is ongoing with the rollout of a Police Scotland dedicated charging infrastructure across the estate with a number of large sites completed. This will continue across Scotland from the central belt up to the Highlands and Islands as the rollout moves into phases two and three.

Training is complete for all fleet staff on ULEV vehicle maintenance and repair. Fleet is continuing to work with Health and Safety, Scottish Police Federation, Driver Training and other key stakeholders to have right vehicle, right place, and right time.

The average age of the Police Scotland fleet is now 4.4 years. This will reduce further as new vehicles are introduced to the fleet and if the level of capital investment on the fleet is maintained in future years.



3500

Vehicles in the fleet

26%

Ultra-low emissions vehicles

Average age

4.4 Years



Financial Sustainability

The medium-term financial outlook for the Authority, as indicated by Scottish Government spending reviews, remains challenging, which may adversely impact the level of service that Police Scotland and Forensic Services can deliver compared to today. See the financial performance section for further details.

Local Authority Perspectives on Policing Performance

Local Authorities have a key role to play in the policing system in Scotland, primarily through their involvement in developing and approving Local Police Plans and by convening scrutiny committees or similar fora to oversee local police performance.

The Authority has a strong working relationship with local government, both at a local area level and through the national body COSLA, regularly seeking input and feedback on key areas of focus relevant to the oversight of policing.

The Authority Chair and Deputy Chief Constable for Local Policing have put in place a cycle of bi-annual regional meetings to discuss strategic policing issues and how these relate to local areas. These meetings, supported by the regional Assistant Chief Constables, allow for discussion on local, regional and national priorities with input from wider specialist teams within Policing and members responsible for scrutiny arrangements across Local Authorities.

In March 2023 the Authority signed a strategic partnership agreement with COSLA and Police Scotland, focused on strengthening the foundation of collaboration between Local Government and Policing. The Agreement sets out a commitment to strengthening existing collaboration on a range of agreed strategic priorities, as well as promoting and supporting partnership working.

The four priority areas which the organisations will focus on over the period 2023-2027 are:

1. Local scrutiny and accountability
2. Prevention and early intervention
3. Health and wellbeing
4. Resource and investment

During 2022-23 the Authority worked with COSLA and representatives from Local Government and the national Improvement Service, to develop a framework for scrutiny. This framework, designed for use by Elected Members, suggests areas where scrutiny may be best focused during stages of local planning and delivery for Local Police Plans.

Key priorities and areas for development from a Local Authority perspective remain consistent with previous years. Local partnerships and alignments continue to strengthen, with strong working relationships in place at a local level. As identified through the tripartite review of local police planning there remains a desire to see enhanced reporting at a local level, both in terms of metrics and delivery of change and transformation activity. Resourcing pressures and capacity challenges remain, with a focus on working collaboratively to deliver services locally where possible.

Forensic Services Performance

During 2022-23 Forensic Services has continued to make progress delivering against agreed strategic objectives and outcomes although there has been a challenge relating to the timely processing of drug driving toxicology tests.

Forensic Services [reported](#) on its assessment of performance during 2022-23 to the Authority's Forensic Services Committee in August 2023.

The following summary highlights key areas of progress made in 2022-23 and assesses aspects of performance relating to service delivery across core functional areas such as biology, physical sciences (including toxicology) and scene examination.

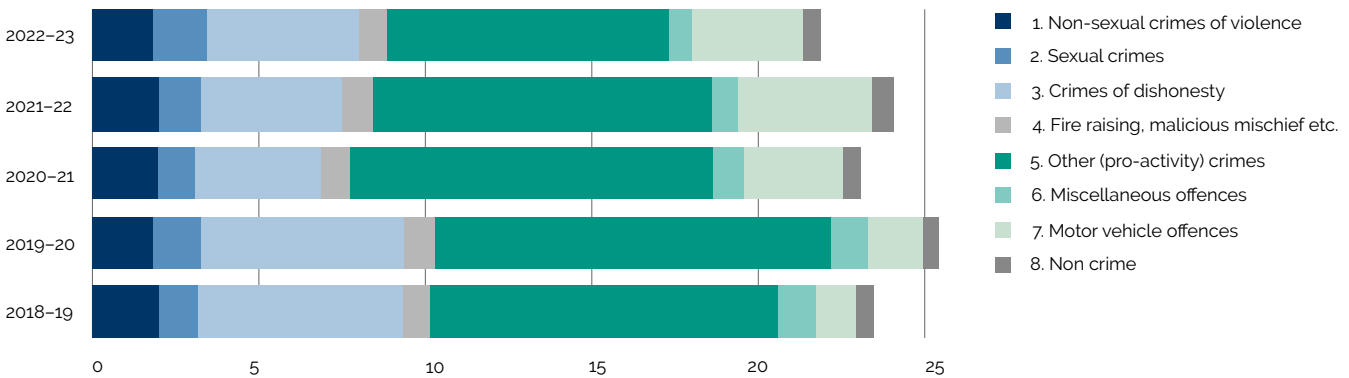


Crime Type Demand

- Demand trends for 2022-23 show that Groups 1 (Crimes of Violence), 4 (Fire raising and vandalism), 6 (Miscellaneous, predominately drugs deaths) and 8 (Non-crime such as sudden, suspicious and unexplained deaths) have all remained relatively stable over the previous five years.
- Group 2 (Sexual crime) demand continues to rise year on year, seeing a change from 1,200 to 1,600 cases over the past two years.
- Group 3 (Crimes of Dishonesty) has risen in level but remains below pre-pandemic numbers.

Notably, the caseload for drugs (Group 5 crime) has declined leading to an improvement in the service delivery times with faster reporting of these cases. There have also been increased requests to Biology and the Volume Crime unit leading to a rise in case submissions for the third year in a row.

Crime numbers (000s) by group and financial year

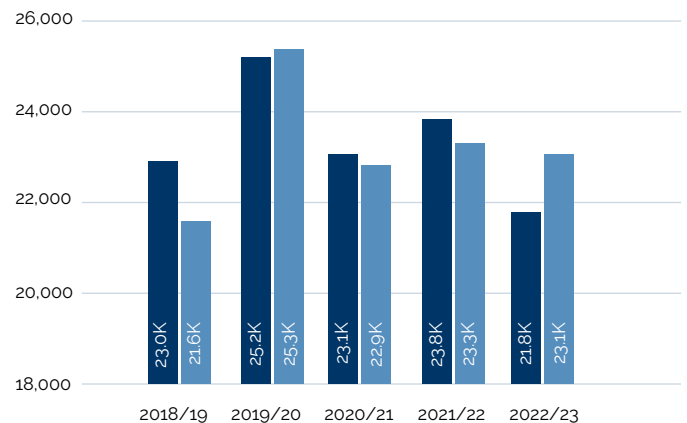


Laboratory Case Demand and Output

Forensic Services has delivered significant planned improvements during the past year with capacity exceeding demand in the majority of business areas.

- Demand
- Output

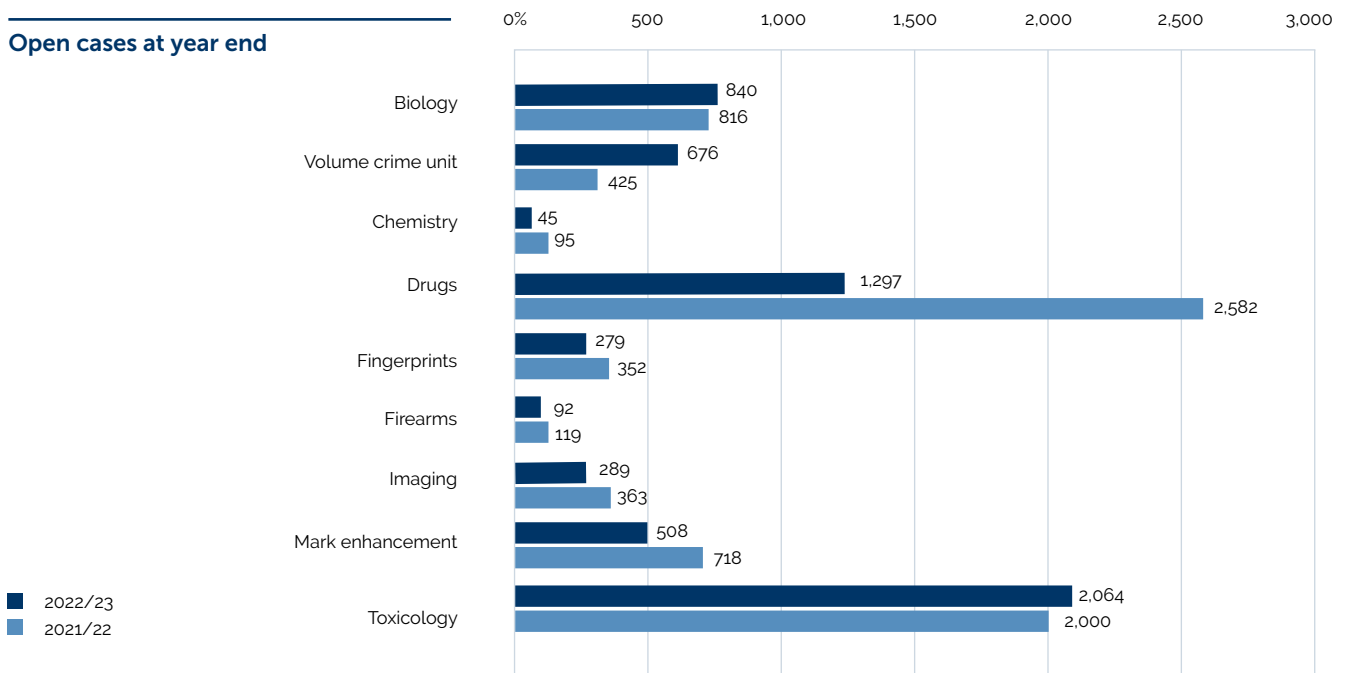
Laboratory Demand & Output



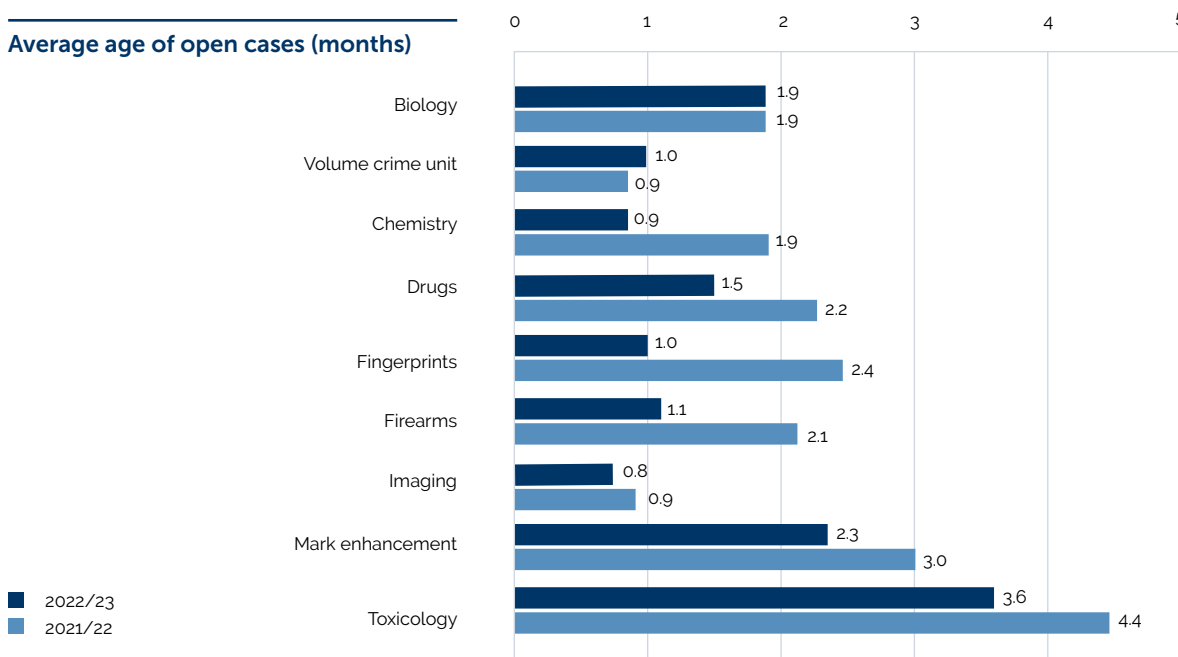
Active Caseload and Ageing

The number of open cases at the end of the year has reduced in most business units. The exceptions are Biology (increased from 816 to 840), Volume Crime Unit (425 to 676) and Toxicology (2,000 to 2,064). The average age of open cases has remained steady or reduced for all business units.

Open cases at year end



Average age of open cases (months)



Forensic Toxicology Provision

In October 2019 the Drug Driving aspect of Section 5A of the Road Traffic Act 1988 came into force in Scotland, providing a specific offence of driving with a specified controlled drug above a prescribed limit. There has since been significantly higher demand for testing and analysis of blood samples than had been forecast initially. Because of this, outsourcing of drug-driving cases was implemented and additional instrumentation was funded by the Scottish Government.

Unfortunately, despite these actions, 447 cases (from October 2019) were unable to be progressed to prosecution. As a result, in June 2022 HMICS were commissioned by the Chair of the Authority to conduct an Assurance Review on the process for drug driving offences. HMICS were to publish their report in April 2023.

Progress has been made in the past year through the Toxicology Development Plan, additional support for the team, and further support from Scottish Government for outsourcing. There are discussions ongoing with partners and Scottish Government about the future sustainable model for Toxicology.



Post Mortem Toxicology

Post Mortem Toxicology services transferred to Forensic Services from the University of Glasgow on 1 December 2022 in a newly designed, state-of-the-art, facility near Govan in Glasgow. This is the fifth laboratory for Forensic Services, with two dozen staff transferring under TUPE regulations.

Thanks to joint and flexible working agreed between the University, Crown Office and Procurator Fiscal Service (COPFS), Forensic Services and the support of the Scottish Government, the team transferred with no backlog of cases. UKAS (United Kingdom Accreditation Service) granted accreditation at the end of March 2023, subject to satisfactory closure of the small number of findings raised.

Other matters in the year:

- **Scene examination** – The Deployment of Scene Examination Project concluded, streamlining digital requests for scene examination attendance. A new Forensics Service National Scenes Tasking Unit deployed in April 2023 to further standardise deployment of scene examiners throughout Scotland.
- **Progress on Biometrics** - Forensic Services have worked closely with the Scottish Biometrics Commissioner to inform the new Biometrics Code of Practice for Scotland. An internal review of Forensic Services processes against the Code of Practice has highlighted general good compliance.
- **UKAS Assessments** - Maintenance of accreditation to ISO 17025 has been achieved for the 25th consecutive year.
- **New Operating Model** – Progress on implementation, following extensive consultation with staff, was delayed in year due to uncertainty around the financial position for 2023-24 but has now resumed on an updated timetable.

SPA Corporate Performance

During 2022-23 the Authority has maintained and enhanced its comprehensive approach to the oversight of policing. With the previous SPA Corporate Plan finishing in 2023, a new Corporate Strategy has now been launched, setting out the Authority's ambitions for the next three years.

A full report on SPA Corporate Performance during 2022-23 was presented to the Authority's Audit, Risk and Assurance Committee in June 2023. Provided below is a summary of key activities, achievements and ongoing areas of focus.

Public Polling

The Authority has put in place a programme of independent public polling on confidence in policing in Scotland. Results this year show that older age groups displayed higher levels of confidence in policing than younger age groups, and that rural communities tend to have higher levels of confidence than urban areas, with the most deprived communities less confident on every measure of confidence than those from the least deprived areas. Overall, the polling has confirmed that views on policing remain positive as well as identifying some spotlight areas for further monitoring. More details are available on this [factsheet](#).

Community Confidence Action Research Project

Linked to the public polling findings, the Authority is working with Police Scotland, local authorities, strategic and third sector partners to better understand variations in levels of confidence in policing in different communities across Scotland. Community projects are now active in Perth & Kinross, North Ayrshire, Fife and Highland Council areas. Early insights are emerging from this work, enhancing our understanding of this important issue and of value to both the Authority and Police Scotland. Project outputs are routinely published on the [Authority's website](#).

Partnership Activity and Events

During 2022-23 the Authority has jointly hosted a series of roundtables to share good practice, challenges and opportunities for collaboration relating to a number of key priorities for policing in Scotland. This has included:

[Places of Safety for Children in Conflict with the Law](#) November 2022

The Authority and Police Scotland hosted the Places of Safety for Children in Conflict with the Law event, bringing together key stakeholders to discuss how agencies can work



together to keep people safe while minimising the number of children that experience police custody when they come into conflict with the law.

[Mental Health, Vulnerability and Policing Conference](#) December 2022

This event focused on the impact of poor mental health and vulnerability in society. The conference aimed to establish a common understanding of the challenge and current approaches to addressing poor mental health and sought to identify current best practice which could be adopted by partners.



Following on from that successful event, a further session was hosted by the Authority in April 2023, with a spotlight on workforce trauma across the policing system.

Independent Custody Visiting Scheme

During the Independent Custody Visiting Scheme (ICVS) Management Review conducted in 2022, a recommendation was made for improvement through digitisation of ICVS. Replacing the current manual system, digitisation will enhance accuracy, efficiency, analysis and reporting of custody visitation. Digitisation will ultimately enable Police Scotland to continually improve custody provision and to provide assurance to the public that those who are in Police Scotland custody continue to have their rights upheld. The Authority has now initiated a project to progress digitisation by procuring a solution appropriate for the Scheme.

Recruitment of new volunteer Independent Custody Visitors will be critical to ensure ICVS continues to provide appropriate levels of oversight across the Police Scotland estate. The Authority's ICVS team have undertaken an extensive recruitment exercise, including attending Freshers' Fairs and lectures across Scottish universities. As a result, 10 new volunteers have joined as Independent Custody Visitors. These volunteers are now fully trained and are conducting visits in Police Scotland custody centres.

Wider achievements and progress

During 2022-23 the Authority worked to deliver or support:

- Joint thematic reviews on the acquisition of biometrics data with the Scottish Biometrics Commissioner;
- The work of the independent advisory group on new and emerging technology;
- Progress on joint equality outcomes with Police Scotland and SPA Forensic Services;
- The Authority's Corporate Parenting Plan;
- A consolidated approach to risk and assurance; and
- Significant improvements in FOI practice and processes.



Financial Performance

Since its creation the Authority and Police Scotland have undergone significant change, delivering both efficiency and service improvement, with an estimated £200 million in cost being removed from the annual cost of policing in Scotland.

Scottish Government's Resource Spending Review (RSR) published in May 2022 set out the high-level parameters for resource spending until 2026-27. The RSR indicated that real terms protection for policing would not continue; instead a flat cash settlement for the remainder of the parliament was assumed.

The actual budget settlement for 2023-24 did result in a cash-terms increase in the Authority's revenue resources alongside a flat capital and reduced reform allocation.

High inflation is reducing the spending power of our budgets, and when considered alongside the expectation for future pay awards, represents a real-terms reduction in funding for policing, requiring difficult choices to be made. These are set out in the annual [Budget 2023-24](#) as approved by the Authority in March 2023.

Significant additional investment is also required to enable the implementation of further transformation programmes, including the digital strategy, estates strategy, Forensic Services change and the transition to 100% ultra-low emission vehicle fleet. The organisation's ability to address the operational impact of a flat cash resource funding settlement is heavily constrained by ongoing flat capital and the reduction in reform funding.

The [2022-23 outturn](#) is summarised in the revenue, capital and reform sections below.



Revenue

The Scottish Government provided a £40.5m uplift in core revenue funding, as well as an additional £6.6m of one-off funding to support the impact of COVID-19 and other specific funding of £2.8m. When combined, the total funding allowed the Authority to set a balanced revenue budget for 2022-23.

As part of the Spring Budget Revision (SBR) process, Scottish Government provided additional funding of £37.0m to support the 2022-23 pay deal for police officers and staff which was reflected as an in-year budget adjustment. The budget was also revised to reflect the impact of IFRS16 technical accounting adjustments which include a reduction in Resource Departmental Expenditure Limits (RDEL) and an increase in Capital Departmental Expenditure Limits (CDEL).

Table 1 shows that the 2022-23 revenue budget has broadly broken even on a fully funded recurring basis.

There are a number of significant offsetting variances including an underspend in Police Officer costs due to lower FTE than budgeted and over-recovery of income, offset by increased Police Officer overtime and unavoidable non-pay pressures (i.e. legal costs and inflation) that have been managed across the year as part of the quarterly reforecasting process, which broadly nets to zero.

Operational costs (Operation Unicorn) of £15.4m associated with the passing of Her Majesty the Queen (HMTQ) was covered in full by HM Treasury.

The Scottish Government also provided additional cash resources of £5.4m to meet the Authority's working capital requirements in relation to the implementation of IFRS16.

Table 1

Revenue Outturn	Budget £m	Outturn £m	Variance £m
Police Officer Costs	876.8	868.2	8.6
Police Staff Costs	237.6	238.2	(0.6)
Non-pay Costs	164.0	176.4	(12.4)
Income	(37.3)	(44.2)	6.9
Total Police Scotland	1,241.1	1,238.6	6.9
Forensic Services	41.7	40.6	1.1
SPA Corporate	4.8	4.7	0.1
Operation Unicorn	0.0	15.4	(15.4)
Net Expenditure	1,287.6	1,299.3	(11.7)
Funding core revenue grant	1,282.8	1,282.8	0.0
Funding non-core revenue grant (net)	4.8	1.0	3.8
Funding Operation Unicorn	0.0	15.4	(15.4)
Funding Total	1287.6	1,299.2	(11.6)

Capital

Table 2 sets out the capital expenditure and the capital funding for 2022-23 which resulted in an underspend of £0.3m against funding.

Table 2

Capital Outturn	Budget £m	Outturn £m	Variance £m
Expenditure			
Business as usual capital expenditure	55.2	44.2	11.0
Transformation capital expenditure	27.9	11.7	16.2
IFRS 16 – right of use assets	5.2	4.9	0.3
Slippage management*	(30.5)	-	(30.5)
Total expenditure	57.8	60.8	(3.0)
Funding			
Grant in Aid - core	45.5	45.5	0.0
Grant in Aid - other	0.0	3.4	(3.4)
IFRS 16 – right of use assets	5.2	4.9	0.3
Reform funding	4.6	4.6	0.0
Receipts from sale of assets	2.5	1.4	1.1
Other	0.0	1.3	(1.3)
Total funding	(57.8)	(61.1)	(3.3)

*Slippage management relates to anticipated actual implementation of spending plans and phasing of spend over the financial year.

Overall total expenditure is £3.0m higher than budget mainly due to additional investment in fleet which was primarily funded by £2.8m of revenue reform funding transferred to capital as part of the Spring Budget Revision (SBR) process; and other IFRS16 technical non-cash adjustments.

Reform

The Authority's budget has included an element of police change (reform) funding since 2013-14, the purpose of which has been to support the change and transformation of policing in Scotland.

A total of £29.6m was originally made available by Scottish Government (£25m of revenue reform funding as set out in the table below, and £4.6m of capital reform funding as noted in the capital section). As part of the Spring Budget Revision (SBR) process, £2.8m of revenue funding was

transferred to capital and £0.9m returned to the Scottish Government as a result of robust in-year forecasting processes.

Table 3 sets out the reform expenditure and the reform funding for 2022-23 which resulted in an underspend of £0.1m:

Table 3

Revenue Reform Outturn	Budget £m	Outturn £m	Variance £m
Expenditure			
Transformation resource	14.4	11.7	2.7
Digital, data and policing	4.2	3.7	0.5
Enabling Policing for the Future (EPF including Change)	1.5	0.3	1.2
Estates Transformation	1.0	0.5	0.5
Modern Contact & Engagement	2.8	1.6	1.2
People & Development Programme	1.1	0.3	0.8
VR/VER	3.0	2.4	0.6
Other Projects	3.5	0.7	2.8
Slippage management*	(6.5)	-	(6.5)
Total expenditure	25.0	21.2	3.8
Funding			
Grant in Aid	25.0	21.3	3.7
Total funding	(25.0)	(21.3)	3.7

* Slippage management relates to anticipated actual implementation of spending plans and phasing of spend over the financial year.

Statement of financial position

The Statement of Financial Position continues to feature a significant net pension liability of £13.2bn (2021-22: £24.1bn), which represents the actuarial assessment of current and future costs. The large decrease in the police scheme's liability during the year is almost entirely due to an adjustment in the nominal discount rate issued annually by HM Treasury, informing liability calculations made by the actuaries (Government Actuary's Department). The 2022-23 net pension liability comprises £13.25bn attributable to the Police Officers' Pension Scheme, offset by a £0.05bn asset position for the LGPS schemes.

The Police Officers' Pension Scheme is an unfunded, defined benefit scheme. The cost of providing pension benefits due under this scheme are met by the Scottish Government on an ongoing basis. Consequently, although these costs are significant, they do not directly affect the Authority's spending or prioritisation decisions and do not directly impact upon the delivery of operational policing.

The Authority continued to monitor cash levels throughout the year, to ensure sufficient cash balances were held to meet outgoings in year. Cash holdings at 31 March 2023 were £26.1m (2021-22: £46.9m). Additional working capital cash of £5.4m was received from Scottish Government to meet the Authority's working capital requirements in relation to the implementation of the accounting standard IFRS16 Leases (2021-22: £27.0m, not IFRS16 related).

A further effect of the implementation of IFRS16 is the required inclusion of the estimated liability and right of use asset values associated with the relevant lease agreements held. Including new agreements commenced in 2022-23, the closing asset base has increased by £56.7m as a result of the implementation of the standard. This increase is offset by lease liability increases, or other assumed income adjustments.



Reconciliation to Statement of Comprehensive Net Expenditure (SOCNE)

The Statement of Comprehensive Net Expenditure (SOCNE) position is presented in the Financial Statements section of the 2022-23 Annual Report and Accounts (p118). The Comprehensive Net Expenditure indicated within the SOCNE is £ (9,505.2) m. The table below shows the reconciling items from the Financial Performance revenue outturn position stated at Tables 1 and 3, leading to the Comprehensive Net Expenditure total. These further items are mostly non-cash items applied to the SOCNE, including actuarial movements on pensions.

Table 4

Financial Performance Outturn	Reference	£m	£m
Revenue Outturn (Core funding)	Table 1, p68	1,299.3	
Revenue Outturn (Reform funding)	Table 3, p70	21.2	
Total Revenue Resource Outturn	Statement of Resource Outturn (p122)		1,320.5
Reconciliation to Statement of Comprehensive Net Expenditure (SOCNE)			
Non-cash costs	Reconciliation of Statement of Resource Outturn to Comprehensive Net Expenditure (p123)		
IAS adjustments (pensions)		422.2	
Depreciation and Impairment		69.3	
Movement in provisions		(3.7)	
Other		(1.3)	486.5
Net Expenditure	SOCNE (p131)		1,807.0
Net gain on revaluations		(27.9)	
IAS19 (pension) actuarial loss	SOCNE (p131)	(11,284.3)	
Other Comprehensive Expenditure			(11,312.2)
TOTAL Comprehensive Net Expenditure	SOCNE (p131)		(9,505.2)

Further information on this position, including funding streams for the items above, is provided in the Statement of Resource Outturn (p122).

Forward Financial Outlook

2023-24 Budget

The Authority approved the 2023-24 annual budget on 23 March 2023. This budget sets out the spending plans for Police Scotland, Forensic Services and SPA Corporate regarding revenue, capital and reform for the coming financial year.

The Authority received a core revenue funding increase of £80m (6.4%) in 2023-24, £37m of which was required to meet the additional cost of the 2022-23 pay award, leaving £43m for allocation in 2023-24.

With inflation continuing to run significantly higher than in previous years, there has been significant financial pressure on our non-pay budget. When considered alongside the expectations for 2023-24 pay award, the organisation is facing unprecedented financial challenges that require to be managed as part of the annual budget process.

To live within the funding settlement, over £50m of savings have been proposed in the 2023-24 budget. The core budgeting assumption being that the overall workforce will reduce by ~3.7%. Significant work has been undertaken to identify how this will be managed in the forthcoming financial year, with the overarching approach focusing on reducing service levels rather than seeking to stop any activity. Plans have also been developed to deliver non-pay savings and efficiencies to help support delivery of a balanced budget.

A flat capital funding allocation of £53m (including capital receipts) has been confirmed for 2023-24 and reform funding to support change and the transformation has been baselined at £20m, representing a 20% reduction in reform from previous years.

Capital and reform requirements exceed the funding that is available. In order to manage the shortfall all capital and reform bids have been approved to proceed in 2023-24 but the pace of delivery will be limited within the funding available. The finance service will work with capital budget holders during the year to manage the spending down to remain within budget. This is not a sustainable position as necessary, and at times critical, capital investment is being postponed into future years, meaning a growing backlog to be managed.



Financial sustainability – longer term financial planning

Scottish Government's Resource Spending Review (RSR) published in May 2022 and Capital Spending Review (CSR) published in 2021 (refreshed in 2022) indicated a flat cash resource and capital settlement for policing over the medium term. As noted above, the actual resource settlement for 2023-24 was not flat cash but it did have significant operational consequences for the organisation.

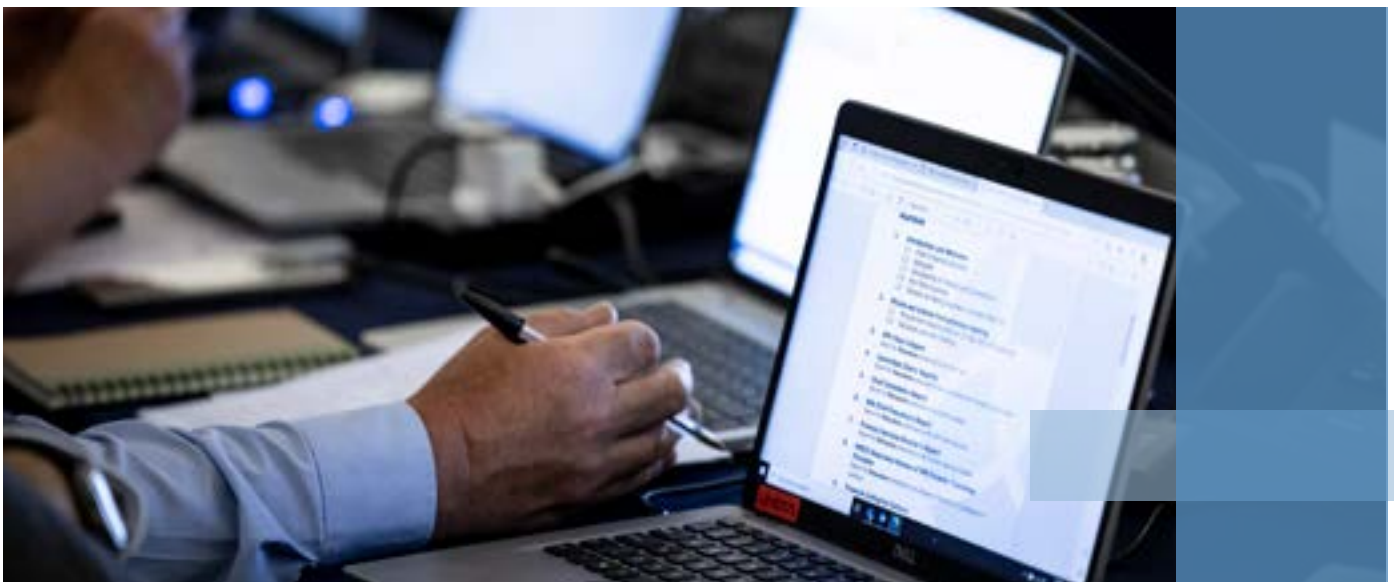
The immediate focus of financial planning has been on developing the 2023-24 budget following the removal of real terms protection. It is recognised that there is great value in longer term financial planning, however, it is very difficult in the current environment to develop reasonable planning assumptions to inform a longer-term financial plan. The Authority will continue to develop scenario modelling to understand the implications of 2023-24 budget, along with the multi-year spending reviews and future financial challenges.

An updated capital strategy is currently being developed to facilitate longer term capital planning. The overarching aim of the strategy is to provide a framework within which capital plans will be delivered in line with organisational strategies and objectives, ensuring that annual funding settlements are utilised and allocated in the most effective way.

The capital strategy:

- Establishes the financial parameters for capital expenditure;
- Sets out the process for prioritising and allocating capital resources;
- Provides a framework for the management, monitoring and delivery of capital expenditure; and
- Highlights the procurement and business case timelines that need to be considered as part of delivery plans.

Police Scotland's reform journey will continue to focus on developing organisational capability whilst ensuring that the organisation is as efficient and effective as possible to live within the funding available, i.e. investment in body worn video, digital capability, Enabling Policing for the Future (EPF) and the wider roll-out of new approaches to budget setting and prioritisation (Strategic Efficiency Redesign and Reinvestment Review - SERR).



Other Non-Financial Information

Anti-Corruption Unit

Officers and staff of Police Scotland, the Authority and Forensic Services should demonstrate the highest standards of professional behaviour, honesty and integrity. Police officers are bound by conduct regulations and the standards of professional behaviour which reflect the expectations of its officers, whether on or off duty.

The Anti-Corruption Unit (ACU), which comes under the banner of Professional Standards, is a stand-alone national unit empowered to conduct intelligence led investigations into the minority who engage in corrupt activity. The ACU also carries responsibility for investigating reports of corruption across the wider organisations within the criminal justice system, for example, Crown Office and Procurator Fiscal Service (COPFS), Scottish Courts and Tribunals (SCTS), and the Scottish Prison Service (SPS).

The ACU will, amongst other matters, also support members of the organisation in identifying, taking ownership of, and proactively managing any identified personal vulnerabilities.

In support of potential areas of vulnerability, Police Scotland operates a register of gifts and gratuities to ensure a transparent notification and recording process, with the general position being that gifts and gratuities will not be accepted.

The Notifiable Associations Standard Operating Procedure (SOP); along with the Business Interest and Secondary Employment SOP, provide clear definitions and guidelines to ensure formal reporting of any associations and any business interests or secondary employment. Subsequent assessment of any potential for compromise to the member or the organisation as a result of such declarations is made, with relevant mitigation and management strategies thereafter being put in place.

A whistleblowing policy and an anonymous integrity reporting mechanism is also in place to further support staff in raising any concerns.

Fraud

The Fraud and Economic Crime Standard Operating Procedure (SOP), issued by the Specialist Crime Division, details examples of common areas subject to fraudulent activity.

It details the processes for reporting and addressing potential cases of fraud and related activity, whether internal or external. This also includes any cases of bribery, meeting the requirements of the Bribery Act 2010.

Benefits Realisation and Assurance

The Authority remains committed to providing a platform for evaluating the transformative benefits and the progress made in three key areas:

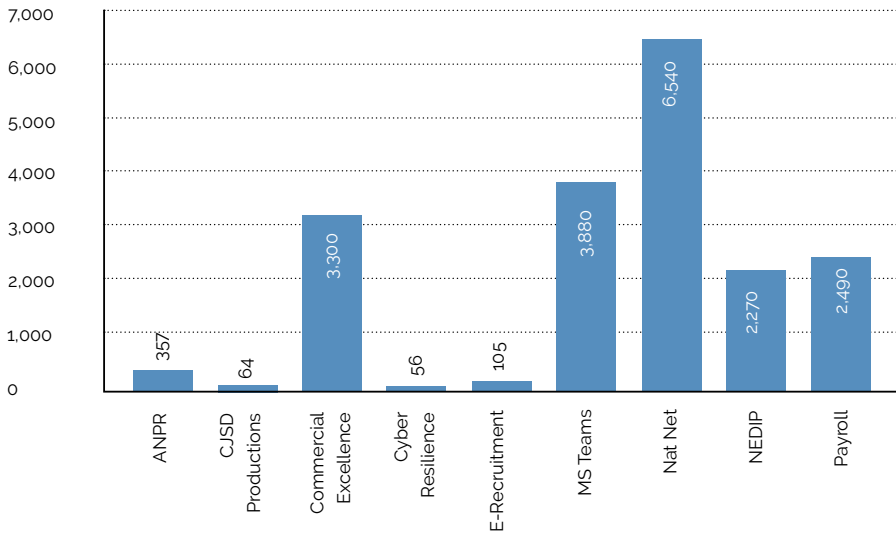
- **Return on Investment and Best Value:** The Authority assesses the achievement of Best Value and return on investment in transformative changes by evaluating individual Business Case costs and benefits, as approved by the Authority.
- **Positive Impact on Operational Policing:** The Authority actively promotes and supports initiatives that demonstrate a positive impact on operational policing in Scotland resulting from strategic investments.
- **Demonstrating Reliable Positive Impact:** The Authority aims to showcase the reliable ability to generate positive outcomes from investments to secure continued funding for policing.

The Authority recognises the ongoing need for assurance regarding the benefits framework and adherence to it by individual programs and projects. The Authority will continue to monitor Police Scotland's approach to benefits management and realisation, ensuring alignment with organizational performance and the delivery of strategic outcomes.

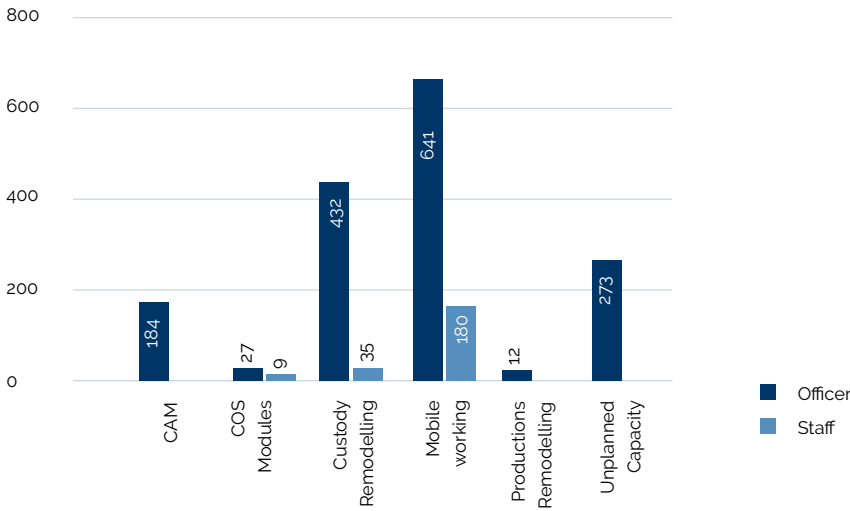
The cumulative benefits realised since 2018 to June 2023, were 1,295 full-time equivalent non-cashable officer efficiencies and 223 full-time staff efficiencies. The realised full-time equivalent (FTE) savings have mostly been redeployed within existing areas to address emerging demands. The cashable benefits realised by the transformation portfolio totalled £3.8m in 2022-23 and since 2018 the portfolio has saved £19.4m. The below tables summarise significant savings from projects within the portfolio:



Cashable benefits realised (2018 - 2023, £'000)



Cumulative benefits realised (2018 - 2023, FTE's)



The Authority remains dedicated to monitoring and assessing the ongoing benefits and impact of transformational changes, ensuring that investments yield significant value for the organisation and contribute to the overall improvement of policing in Scotland. The Authority will focus on enhancing the oversight of benefits delivered by the portfolio in 2023-24.

Lynn Brown OBE
Chief Executive & Accountable Officer

Accountability Report

This section is divided into three parts:

- Part 1** Corporate Governance Report
p.80
- Part 2** Remuneration and Staff Report
p.98
- Part 3** Parliamentary Accountability
and Audit Report
p.120





Part 1

Corporate Governance Report

The corporate governance report explains the composition and organisation of the Authority's governance structures and how they support the achievement of its objectives.

Directors' Report

The Authority is currently comprised of 12 Members.



Martyn Evans



Jane Ryder OBE



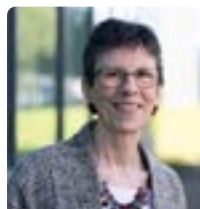
Grant Macrae



Paul Edie



Caroline Stuart

Fiona McQueen
CBE

Michelle Miller



Tom Halpin QPM



Alasdair Hay

Dr Catriona Stewart
OBE

Katharina Kasper



Mary Pitcaithly OBE

SPA Board

Members of the Authority are appointed by Scottish Ministers in accordance with the **Code of Practice for Ministerial Appointments** to Public Bodies in Scotland, issued by the Commissioner for Ethical Standards in Public Life in Scotland.

Individual Members are appointed for a set period, not exceeding four years and may be reappointed but may not serve for a total period exceeding eight years. In the event of early termination there is no contractual provision for compensation.

Name	Appointment Dates	
	From	To
Martyn Evans ¹ (Chair)	1 August 2018	31 January 2025
Jane Ryder ² OBE (Vice Chair)	1 April 2018	31 March 2026
Dr Robert Black ³ CBE FRSE	1 April 2021	15 October 2021
Paul Edie	1 April 2021	31 March 2025
Tom Halpin ⁴ QPM	28 March 2018	27 March 2026
Alasdair Hay	1 April 2021	31 March 2025
Katharina Kasper	1 April 2021	31 March 2025
Grant Macrae ⁵	1 April 2017	31 March 2025
Fiona McQueen CBE	1 April 2021	31 March 2025
Michelle Miller ⁶	1 June 2018	31 May 2026
Mary Pitcaithly ⁷ OBE	1 May 2018	30 April 2026
Dr Catriona Stewart	1 April 2021	31 March 2025
Caroline Stuart ⁵	1 April 2017	31 March 2025

¹ In January 2021, Martyn Evans was appointed as Chair of the Scottish Police Authority, with the appointment date for that role confirmed as 1 February 2021 to 31 January 2025.

² In May 2021, Jane Ryder was appointed as Vice Chair of the Scottish Police Authority, with the appointment date for that role confirmed as 26 May 2021. In January 2022, this appointment was extended for a further four-year term from 1 April 2022 to 31 March 2026.

³ Dr Robert Black was appointed to the Authority for a four-year term. He died on 15 October 2021.

⁴ In January 2022, Tom Halpin was reappointed for a further four-year term from 28 March 2022 to 27 March 2026.

⁵ In November 2022, Grant Macrae and Caroline Stuart were reappointed for a further two-year term, from 1 April 2023 to 31 March 2025.

⁶ In January 2022, Michelle Miller was reappointed for a further four-year term from 1 June 2022 to 31 May 2026.

⁷ In January 2022, Mary Pitcaithly was reappointed for a further four-year term from 1 May 2022 to 30 April 2026.

SPA Senior Management Team

Name	Position
Lynn Brown ¹ OBE	Chief Executive and Accountable Officer
Chris Brown	Deputy Chief Executive (Resources)
Barry Sillers	Deputy Chief Executive (Strategy and Performance)
Fiona Douglas	Director of Forensic Services

Police Scotland Force Executive

Name	Position
Sir Iain Livingstone QPM	Chief Constable
Fiona Taylor QPM	Deputy Chief Constable, Professionalism, Strategy and Engagement
Malcolm Graham KPM	Deputy Chief Constable, Local Policing
Jane Connors QPM	Deputy Chief Constable, Crime and Operational Support
David Page	Deputy Chief Officer, Corporate Support
James Gray	Chief Financial Officer
Tom McMahon	Director of Strategy and Analysis
Katy Miller	Director of People and Development
Andrew Hendry	Chief Digital and Information Officer, Digital and Transformation

Registers of Interest

A current list of Authority Members, their biographies and Registers of Interest are published on the [Authority's website](#).

Information about the Authority's [Senior Management Team \(SMT\)](#) and the Director of Forensic Services, including Registers of Interests, is also available on the Authority's website.

A Register of Interests for the Police Scotland Force Executive can be supplied on request to: Executive Support, Police Scotland, Tulliallan Castle, Kincardine, FK10 4BE. A [Register of Gifts and Hospitality](#) for the Police Scotland Force Executive is held on the Police Scotland website.

Auditor

Under the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland (Auditor General) has appointed Grant Thornton UK LLP as the Authority's external auditor for a period of five years starting with the year to 31 March 2023.

The auditors were remunerated the sum of £274,590 (2021-22: £210,280) in respect of statutory audit services, for the financial year. Grant Thornton UK LLP also provided in 2022-23:

- Other assurance services of £77,197 to provide project management support in relation to the transfer of postmortem toxicology services from the University of Glasgow to the Authority; and
- Other advisory services in relation to analysis of claims for unpaid overtime following the Allard judgement of £14,500.

These non-audit services were incurred during 2022-23, prior to the appointment of Grant Thornton UK LLP by the Auditor General.

Personal data related incidents

The Authority is required to disclose the following: during the year there were no personal data related incidents (2021-22: two) deemed sensitive enough to provide a report to the Information Commissioner's Office.

Statement of Accountable Officer's Responsibilities

Under the Police and Fire Reform (Scotland) Act 2012, Scottish Ministers have directed the Authority to prepare, for each financial year, a statement of accounts in the form and on the basis set out in their Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Authority and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Scottish Ministers have appointed the Chief Executive as the Accountable Officer for the Authority.

The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Authority's assets, are set out in Memorandum to Accountable Officers for Other Public Bodies issued by the Scottish Government and published as part of the Scottish Public Finance Manual.

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Authority's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



Governance Statement

The purpose of the Governance Statement is to explain the composition and organisation of the Authority's governance structures and how they support the achievement of its objectives. It sets out the governance structures, risk management and internal control processes that have been operating during the year and provides an assessment of the effectiveness of these arrangements.

Scope of responsibility

As Accountable Officer, I have overall responsibility for maintaining sound systems of internal control that support the achievement of the Authority's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to the Authority, in accordance with the responsibilities set out in the [Memorandum to Accountable Officers for Other Public Bodies](#).

The systems of internal control as outlined in this statement have been in place for the financial year and up to the date of approval of the annual report and accounts.

The Authority's governance framework

The Scottish Public Finance Manual (SPFM) is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety.

The Authority's Corporate Governance Framework is the overarching reference document that sets out the roles, responsibilities and procedures for the effective and efficient conduct of the Authority's business. There are clear lines of delegated responsibility for both financial and operational management in the respective organisational structures.

SPA Board

The Board is responsible for providing strategic leadership, direction, support and guidance, and in ensuring that the Authority delivers its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers.

Members of the Board are appointed by Scottish Ministers and have collective responsibility for the proper conduct of the Authority's affairs. Members have full and timely access to all relevant information to enable them to perform their roles effectively.

Members' roles and responsibilities are described in the Authority's Code of Conduct for Members.

Committees of the Board

The Board is supported by the eight committees. The Terms of Reference for each committee are outlined in the [SPA's Corporate Governance Framework](#).

Audit, Risk and Assurance

The Committee oversees the arrangements for corporate governance, internal control, risk and internal/external audit. This includes reviews of areas of Best Value, recommendations tracking and the annual accounts.

Forensic Services

The Committee provides oversight, scrutiny and assurance to the Board on the delivery of forensic services to the Police Service, Police Investigations and Review Commissioner and the Lord Advocate and procurators fiscal.

People

This Committee provides oversight, scrutiny and assurance to the Board on all significant workforce matters relating to the Authority and Police Scotland, including providing advice, guidance and support on the development and implementation of workforce strategy and policy.

Complaints and Conduct

The Committee's role is to provide assurance that the Authority has suitable arrangements for the handling of complaints about the SPA, its staff and senior officers of Police Scotland.

It also monitors the handling of complaints by the Chief Constable and performs certain functions and makes decisions on behalf of the Authority under various Regulations.

Legal

The Committee provides oversight and scrutiny of the arrangements the Authority and Police Scotland have in place for the handling of legal actions, claims and appeals, and the provision of legal assistance and legal expenses' insurance.

Other roles include: authorise some settlements/claims; hear or determine appeals related to legal assistance; hear appeals against dismissal; determine ill health retirement and injury on duty awards.

Resources

This Committee provides oversight, scrutiny and assurance to the Board on all significant financial and budgetary resourcing matters.

This includes strategic financial planning and budget setting in the short, medium and long term; investment decisions based on review of business cases; performance against the agreed budget; delivery of the expected investment benefits and assurance on financial regulatory compliance and stewardship.

Exceptional Circumstances

The purpose of this Committee is to deal with urgent business of the Board when, in exceptional circumstances, it is not practicable for an ordinary meeting or special meeting of the Board to be convened, or for the business to be dealt with by all members of the Board by correspondence.

The Committee is authorised to perform, on behalf of the Board, all of the Authority's functions.

Policing Performance

The purpose of this Committee is to provide oversight and scrutiny of continuous improvement in policing. It scrutinises policing performance against agreed strategies, plans and statutory requirements.

The Committee will also consider any proposed changes to operational policing deployments which may have particular public interest, ethical or human rights implications.

Scottish Railways Policing Committee

The Scottish Railways Policing Committee is a sub-committee of the British Transport Police Authority (BTPA) established under existing legislation. The Committee was established in 2019 to improve accountability and facilitate a stronger role for the Authority in relation to railway policing.

The Committee's responsibilities include:

- Reviewing and reporting on the planning and performance of railway policing in Scotland;
- Reviewing and reporting on the co-operation and close working of Police Scotland and the British Transport Police; and
- Scrutinising British Transport Police's public and stakeholder engagement work.

Two Members of the Authority have been co-opted onto the Committee. Details of meetings and attendance are available from BTPA and are not included in this annual report.

Oversight Groups

Oversight groups are established by the Board or a Committee for specific purposes as part of the corporate governance framework. These groups have terms of reference, should be time limited, and have no decision-making authority. The terms of reference specify reporting routes back through a Committee or to the Authority to ensure transparency of the activities and outputs from the group. During 2022-23 there was one Authority oversight group in place.

Committee effectiveness

The Authority's corporate governance framework and members' handbook requires that an annual committee assurance review is undertaken to provide the Chair and Board with robust assurance of its Committees' functioning and effectiveness.

An effectiveness review was conducted for each Committee, informed by members' questionnaires, discussion, and review by each Committee. The overall evaluation has been considered by the Audit, Risk and Assurance Committee which reported that Committees have effectively discharged their duties in line with their terms of reference and there were no significant issues.

Continued areas for improvement were identified, including a focus on the public transparency of Board and committee business. Progress has been made to date including refreshed guidance for Authority staff, and the first public session of the Legal Committee.

Forensic Toxicology Oversight Group

The Authority established this oversight group in August 2022 to focus on three priority areas relating to toxicology: drug spiking, post-mortem toxicology and the processing of drug driving tests. This was a short life oversight group that considered these issues in detail and reported to the Committee. Its work was concluded in December 2022 and reporting and oversight of Forensic Toxicology continues through the Forensic Services Committee.

Authority Oversight of Change

To maintain the effectiveness and efficiency of the policing system in Scotland there is a need for continual review and a programme of prioritised outcome enhancing change, which adapts to the current and future forecast demands on the policing system. This programme is aligned to the delivery of the outcomes in the Joint Strategy for Policing and the Forensic Services Strategy. As the oversight body the Authority uses a coordinated approach across Committees and the Board to require assurance and seek evidence on the prioritisation and coordination of programmes and the progress, pace, and benefits delivered to the public through transformational change across the policing system.

This coordinated approach, which was first adopted in [August 2020](#), defines a broad interpretation of change, encompassing changes to strategy, policy and practice underpinned by the Joint Memorandum of Understanding (MOU). It is not constrained and captures programmes and projects which deliver improvement through changes

to infrastructure, technology, workforce size and shape, operational policies and tactical deployment of resources.

This approach was reviewed and further enhanced in April 2022 with the addition of a strategic coordination role for the Audit, Risk, and Assurance (ARAC) Committee which focused on responsibility for seeking assurance on behalf of the Board on the overall progress of the change portfolio, with a particular focus on identifying risks that may affect the coordinated delivery of the strategic outcomes. The Resources Committee role is maintained but now takes a sharper focus on evaluating the return on investment, ensuring the delivery of benefits, and ensuring coherence with approved business cases. The Policing Performance Committee conducts oversight of specific operational change programmes and projects, and looks to evidence the improved performance resulting from their delivery. The Forensic Services Committee oversees the end-to-end process of the delivery of the Forensics Services change portfolio.

The table below details how the Authority's Committees and Board work together to provide oversight across the wide range of programmes under development or underway across the policing system.

Change papers presented to Authority Committees (2022-23)			
Policing Performance Committee		Resources Committee	
Modernised Contact and Engagement	5	Estates	12
Drones	4	Technology	7
Cyber Kiosks	4	Fleet	4
Tasers	4	Benefits	3
Body Worn Video	3	Digital and Data	3
Cyber Strategy	2	Leadership Development	3
Violence Against Women and Girls	2	Corporate Services	1
Naloxone	2	Analysis and Demand	1
Custody	1		
Fleet	1		
Aviation Safety and Security	1		
Hate Crime	1		
Digitally Enabled Policing Programme	1		
Policing in a Digital World	1		
		Audit, Risk and Assurance Committee	
		Oversight of Change	7
		Cyber	3
		Digital Evidence Sharing Capability	3
		Custody - Productions	1
Forensic Services Committee		People Committee	
Change Programme	2	Wellbeing	3
Operating Model	2	Strategic Workforce Planning	2
Post Mortem Toxicology	2	Leadership Development	2
Strategic Workforce Planning	2	Training and Development	2
Biometrics	1	Your Voice Matters	1
Criminal History System	1	Naloxone	1
Demonstrating Value	1		
Drug Driving	1		

All committees report to the Board in public, to build understanding of the overall oversight structure that enables the Authority to assess Best Value and evidence the progress being made across policing through the funding invested in the change portfolio.

The development and delivery of change is ongoing and at pace however this year sees a number of programmes move into phases where they deliver substantial benefits, including the successful rollout of mobile devices for officers, which has been fundamental to delivering efficiencies, increasing their visibility to the public and spending more time out of the station. 2022-23 has seen the completion of projects to improve Police Scotland's cyber resilience, transform internal corporate governance and financial systems, make improvements in leadership training, promotion, and career development, as recommended by HMICS, and addressed the urgent need to find suitable alternative accommodation to meet the changing needs of policing in the North East of Scotland. In Forensic Services there has been the successful completion of the project to transfer post mortem toxicology services from the University of Glasgow to a bespoke facility within SPA Forensic Services. A new operating model has been developed to progress the Forensic 2026 Strategy which aims to deliver world leading, high quality, and value for money forensic services.

In February 2023 the Scottish Government Independent Advisory Group on Emerging Technologies in Policing produced its final report. The Executive summary notes that "Since 2019 there has been a great deal of progress to establish robust decision making and oversight processes, and in 2021 Police Scotland and the Scottish Police Authority (SPA) published a Memorandum of Understanding which takes steps to enhance transparent discussion, engagement and communication and informed decision making."

In advocating for a programme of extending use of technology to improve both the capacity and capability of the policing system, the Authority has endorsed the prioritisation of cyber and digital strategies and supported the ambition to drive improvement in the challenging area of policing in a digital world, and in increasing the level of service and ease of accessibility to the public through modernised public contact and engagement models.

Looking forward, the Authority will continue to champion the introduction of body worn video cameras for all officers and set clear expectations on the importance of thorough legal and ethical and human rights supportive engagement and oversight for the ongoing development of a platform for sharing evidence among criminal justice partners and improvements in local policing.



Membership and Attendance ⁽¹⁾

(meetings attended / meetings available)

	Board	Audit, Risk and Assurance	Complaints and Conduct	Exceptional Circumstances	Forensic Services	Legal	People	Policing Performance	Resources
Number of meetings held (C = Chair)	9	7	8	0	5	9	5	4	8
Martyn Evans	9/9 C								
Jane Ryder OBE (Vice Chair)	9/9	2/2 C			5/5	6/6 C			
Paul Edie	9/9	3/5	7/8		4/4 C	1/3 C	4/4		
Alasdair Hay	8/9		5/5 C				3/5	1/1 3/3 C	6/8
Tom Halpin QPM	8/9				1/1 C		2/4	3/4	1/4
Katharina Kasper	9/9	6/7	3/3 C			3/3		3/3	4/4
Grant Macrae	9/9	7/7	8/8			6/6			8/8 C
Fiona McQueen CBE	7/9		8/8		4/4		1/1 4/4 C		1/1
Michelle Miller	9/9					9/9	4/4	1/1 C 3/3	
Mary Pitcaithly OBE	9/9	5/5 C					1/1 C	3/3	
Dr Catriona Stewart	9/9	6/7	3/3			5/6	1/1	1/1	5/6
Caroline Stuart	8/9				5/5	2/2 C 7/7			7/8

1. Following review, changes to members' Committee responsibilities took effect [13 June 2022](#); with further changes made [22 September 2022](#). In addition, Catriona Stewart stood down from the Resources Committee at the start of 2023.

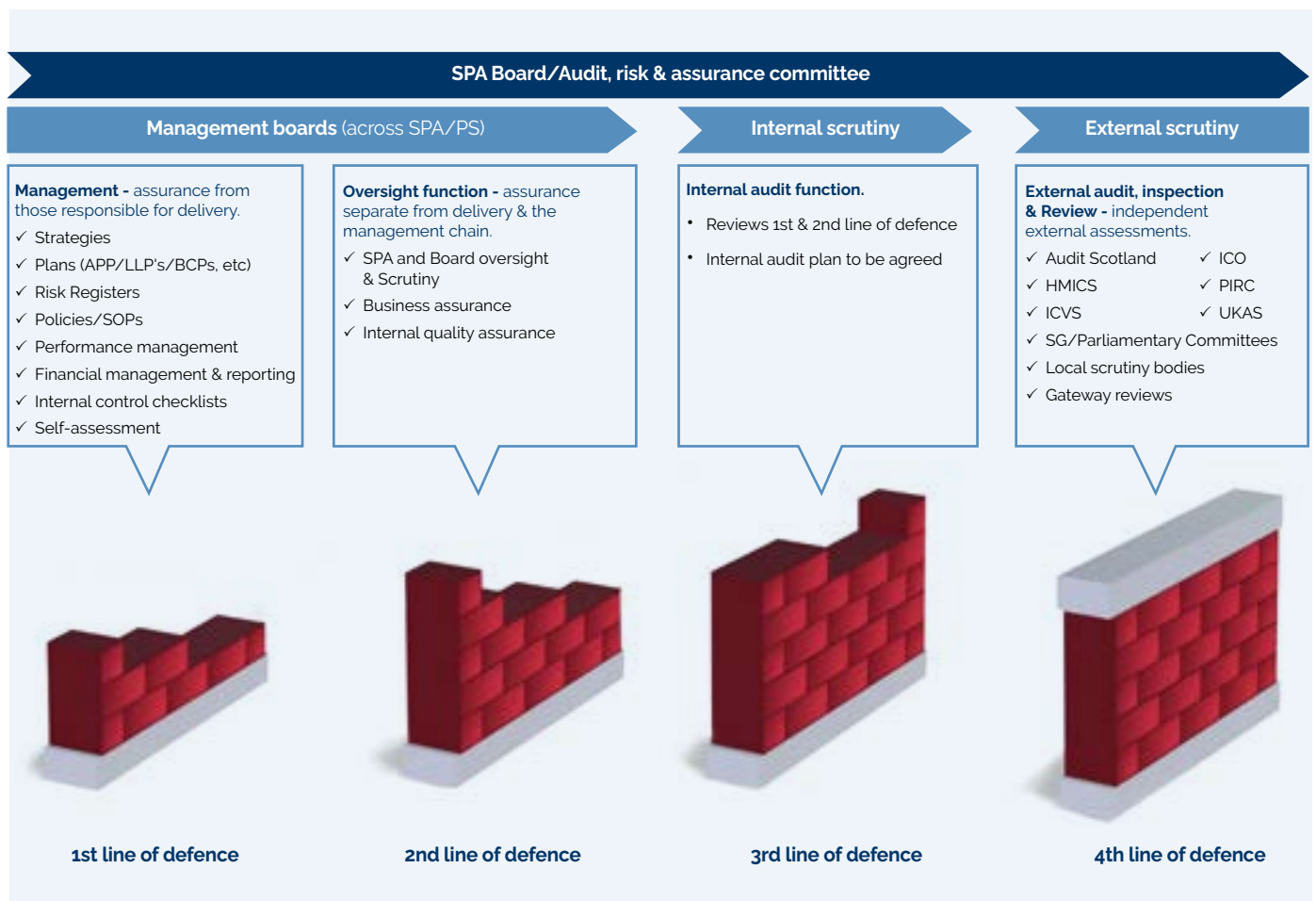
New chairing responsibilities over the course of the year: from 13 June 2022 onwards, Jane Ryder chairs the Legal Committee; Mary Pitcaithly the Audit and Risk Committee; Paul Edie the Forensic Services Committee; Katharina Kasper the Complaints and Conduct Committee; and Fiona McQueen the People Committee. From 22 September 2022, Alasdair Hay chairs the Authority's Policing Performance Committee.

Assessment of Corporate Governance

Assurance Framework

The Authority’s Excellence Framework provides a structured means of identifying and mapping the main sources of assurance in the Authority. In addition, the Authority prepares an annual integrated assurance statement that provides a strategic overview of the systems of internal control across each of the ‘four lines of defence’ as illustrated below. This also includes a summary of the findings from key audit and inspection bodies for the financial year.

This assurance framework provides the Accountable Officer with the necessary assurances to make an assessment of corporate governance arrangements which are summarised in this section.



Risk management and control framework

Our system of internal control is designed to manage, rather than eliminate, all risk of failure to achieve our strategic priorities. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of our strategic objectives, to evaluate the nature and extent of those risks, and to manage them.

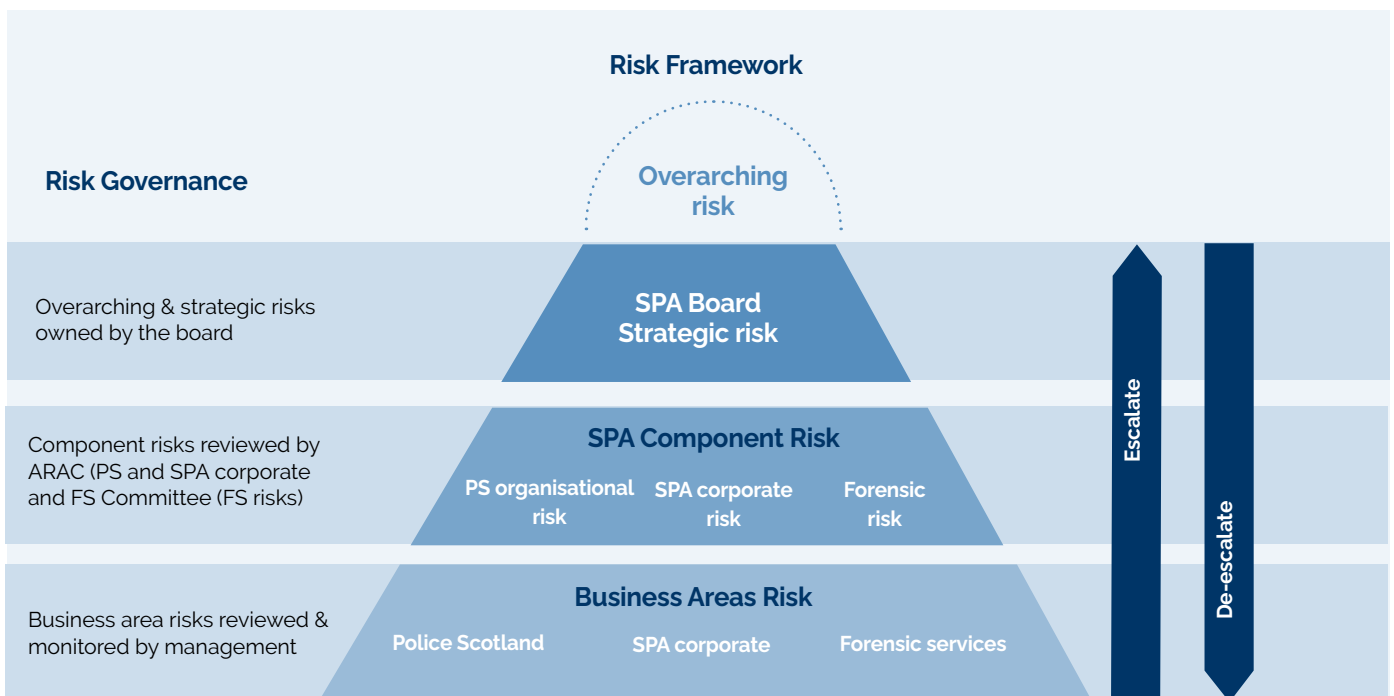
The Authority has a Risk Management Framework that takes a stratified (tiered) approach to risk management across Scottish policing. The framework provides a structure to support identification of key risks facing the organisation, analyse the likelihood and impact of the risk materialising and capture the controls in place. Risks are aligned to plan objectives, with some mitigating actions also aligning with improvement recommendations from internal and external audit.

The process within the Authority is in line with guidance from the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2023, and up to the date of approval of the annual report and financial statements.

Risks are regularly reviewed by management using the tiered approach and escalated or de-escalated through levels depending on the severity of risk. The strategic risks owned by the Authority comprise a singular over-arching risk and six supporting risks with alignment through to operational/corporate risks across Police Scotland, SPA Corporate and Forensic Services.

Strategic and component level risks are considered quarterly by the Audit, Risk and Assurance Committee with the Forensics Services Committee considering forensics' risks. In addition, a detailed annual review of strategic risks is undertaken by Members.

Following Member feedback and an Audit Scotland recommendation the Committee has focused attention during the year on risks outside of appetite and tolerance. The service has enhanced the reporting of these risks, providing a clearer articulation of the plans and timescales for their mitigation.



Information and Data Security

High-quality digital resources are essential to our service. We continue to make improvements to our core systems, digital hardware, and how we use mobile technology. These are all designed to ensure that we have resilient and high-quality systems to support our work.

The Digital Strategy focuses on articulating how digital, data and technology will support the service to address the increasing digital demands of today. Evolving digital technologies are changing the way the public can and want to contact and engage with policing, and we have seen an increase in crime with a digital element.

A review of the service's Digital Strategy is currently being undertaken that will evaluate progress since the development of the 2018 Digital, Data and ICT (DDICT) strategy and develop a refreshed strategy that will articulate how digital, data and technology will support the service to deliver its objectives.

The service has privileged access to data and information to conduct its policing purpose. The Authority has a duty to respect this privileged access and to ensure that information is safeguarded properly. There are a range of systems and measures in place which ensure that information held is secure.

Training on data protection and information security is included in the induction process for all new Officers and Staff. All receive periodic refresher training and are provided with data protection updates.

Cyber resilience and security feature prominently in risk registers and are managed as part of the Cyber Security Strategy with specific cyber security updates provided to the Audit, Risk and Assurance Committee. The service also achieved Cyber Essentials Plus certification in July 2022.

During the year there were no personal data related incidents (2021-22: two) deemed sensitive enough to provide a report to the Information Commissioner's Office.

Whistleblowing arrangements

The Authority and Police Scotland have whistleblowing arrangements including policies in place that were developed and implemented with consideration of good practice and extensive consultation.

Whistleblowing is reported internally on a regular basis which includes involvement from the relevant whistleblowing champion including the Authority's Board Whistleblowing Champion.

The arrangements are formally considered by the ARAC on an annual basis. During 2022-23 assurances have been received that there are effective whistleblowing arrangements across the Authority and Police Scotland.

Internal audit

For 2022-23 internal audit work has been carried out by the contracted services of independent auditors, Azets. Their role is to report on the adequacy and effectiveness of the Authority's systems of internal control and make any recommendations for improvement.

Internal audit carried out eleven reviews during the financial year. There were significant findings (very high-risk recommendations) highlighted from two reviews: change management – RDU and compliance arrangements (PAVA and airwaves).

Implementation of internal audit recommendations is closely monitored and reported to each meeting of the Audit, Risk and Assurance Committee. In addition, internal audit carries out an independent review of progress with implementation to validate management's monitoring and reporting.

The overall assurance provided by Azets is set out in their [Internal Audit Annual Report 2022/23](#). Azets concluded:

"In our opinion the Scottish Police Authority, Police Scotland and Forensic Services have a framework of governance, risk management and controls in place that provides reasonable assurance regarding the effective and efficient achievement of objectives. This is except in relation to:

- Change Management – Resource Deployment Unit; and
- Compliance arrangements – PAVA Spray and Airwave Terminal Units.

Our audits in each of these areas highlighted significant areas for improvement relating to a need to more consistently implement central policies and procedures across the organisation, as well as a need to improve arrangements for management scrutiny and oversight at senior management level."

Management accepted recommendations and has agreed actions to resolve the issues and risks raised. It has also been recognised that internal audit has been directed to areas where improvement was necessary. This demonstrates a mature organisational approach to using internal audit.

His Majesty's Inspectorate of the Constabulary in Scotland (HMICS)

His Majesty's Chief Inspector of Constabulary in Scotland, Craig Naylor, published in August 2023 his [Annual Report](#) for 2022-23.

HMICS made a number of key observations about the state of policing in their Annual Report:

- The announcement that Police Scotland is institutionally discriminatory was seen as a bold and brave step. The service should continue to work to progress issues of equality, discrimination, and inclusion.
- Praised the work undertaken by Police Scotland across many areas but believed the service should be more proactive in detailing this work particularly violence against women and girls and discrimination.
- The challenges of the last year were highlighted and reflected that there have been a number of issues in policing in England and Wales that whilst not replicated in Scotland, have the ability to impact on trust and confidence here.

HMICS concludes that *"although it has been a year of significant challenge for both Police Scotland and the SPA, overall performance remains strong with significant events and investigations delivered to a high standard at a time of difficult budgets and while officer numbers fall."*

HMICS has considered the current landscape and revisited its planned programme of work with a [revised three-year scrutiny plan](#) (2022 – 2025) published.



Best Value

Accountable Officers appointed by the Scottish Government have a specific responsibility to ensure that arrangements have been made to secure Best Value. In addition, the Police and Fire Reform (Scotland) Act 2012 places a duty on the Authority and the Chief Constable to make arrangements to secure Best Value for the Authority and police service respectively.

In accordance with these principles, the Authority adopts a culture of continuous improvement. This work is carried out against the background of the Scottish Government priorities for policing.

The Scottish Ministers expect all Accountable Officers to comply with the duty of Best Value placed upon them. In addition, the Authority has corporate responsibility for promoting the efficient and effective use of staff and other resources by the organisations in accordance with the principles of Best Value. Arrangements have been made to ensure Best Value can be demonstrated through:

- Scrutiny applied to investment and expenditure decisions by officials, the Resources Committee and the Authority;
- Procurement contracts being awarded through competitive tender processes, alongside the reduction of non-competitive actions (NCAs) to ensure compliance and achievement of best value;
- Scrutiny by the Board of submissions in relation to staff pay negotiations (and resulting settlement) and voluntary redundancy/early retirement scheme;
- Scrutiny by the Board of the strategic workforce plan and staff pay award; and
- Self-assessment utilising guidance issued by Scottish Government.

The Authority embraces the cross-cutting themes of Best Value, namely equality and sustainability in all it does and carries out all its duties in a way that is proportionate, accountable, transparent and consistent with the principles of good governance. There is however, recognition that there is still work to be done to fully demonstrate Best Value.

The Authority continues to make progress towards adherence and demonstration of Best Value principles. A Best Value self-assessment was completed by SPA Corporate with actions included in the service's business plan to address gaps. Police Scotland have developed their approach to demonstrating adherence to Best Value principles. Their approach has been outlined to the Audit, Risk and Assurance Committee with a pilot Best Value review of procurement completed.



Review of effectiveness of the systems of internal control

As Accountable Officer, I review the effectiveness of the governance framework, including the internal control systems. To prepare this statement, I require assurances on the maintenance and review of internal control systems within each part of the organisation.

The systems are designed to manage rather than eliminate the risk of failure to achieve the SPA Corporate, Forensic Services' and Police Scotland's policies, aims and objectives. They can therefore provide reasonable rather than absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

My review of internal control is informed by:

- The Audit, Risk and Assurance Committee, which assesses the effectiveness of assurances in relation to the systems of governance, risk management and internal control;
- An assurance framework established in accordance with the Scottish Public Finance Manual that provides certificates of assurance from senior Officers and members of staff who are responsible for developing, implementing, and maintaining internal controls across their delegated areas;
- The work of the internal auditors, which is directed through an audit plan agreed by the audit committee and focuses on identified control risk areas. The internal auditors submit regular reports on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- Quarterly reviews by the Audit Risk and Assurance Committee of the organisation's risk registers and the work of internal audit in assessing the effectiveness of risk management arrangements; and
- Comments made by the external auditors in their management letters and other reviews or reports conducted, notably from HMICS.

Significant issues

Significant issues are those that might have a negative impact on the Authority's ability to deliver our strategic priorities, or which might affect our performance, reputation, or have a material impact on our accounts. Significant issues are raised mainly through the assurance framework, audit process and the Certificates of Assurance process.

Significant issues were highlighted within Forensic Services and related to estates water safety.

- Within Forensic Services issues were highlighted related to drug driving testing as well as physical data management controls. These areas have been subject to external independent scrutiny by HMICS and internal audit, respectively, who each made recommendations to address the issues identified. Forensic Services is confident that the general internal control environment is effective and efficient, however, there are areas for improvement.
- Water safety issues were highlight related to a number of positive legionella samples being identified at the Scottish Police College. Whilst there were no cases of anyone contracting legionella, immediate actions were taken including an independent audit of water safety arrangements with actions being in place.

These issues have been reviewed and appropriate actions have been, or will be, taken to address, strengthen and enhance the control environment. Progress of implementing agreed action is monitored and reported regularly, internally and to the Audit, Risk and Assurance Committee.

Governance report conclusion

On the basis of the assurances provided from the sources of assurance outlined above, I can confirm that sound systems of governance, risk management and internal control, consistent with the requirements of the SPFM, have operated for the year ended 31 March 2023 and up to the date of approval of the Annual Report and Accounts.



Part 2

Remuneration and Staff Report



Overview

The Resources Committee and People Committee provide assurance to the Board in relation to remuneration and associated policies in operation throughout the service.



Remuneration Report

The information in the Annual Report is reviewed by the external auditors for consistency with the financial statements, and the information relating to the remuneration and pension benefits of board members and the Senior Management Team, fair pay disclosures, employee numbers, employee costs and number of exit packages has been audited by them.

Remuneration policy

The Authority is committed to being a responsible, attractive, and inclusive employer fulfilling all statutory and moral obligations.

Police Officers remuneration is considered and negotiated by the Police Negotiating Board (PNB) under the Police Act 1996. The PNB is comprised of representatives from: Scottish Ministers, the Authority, Chief Constable, and statutory staff associations.

For all members of police staff, the Authority submits a pay remit to the Scottish Government for approval which is within the terms of Scottish Government's Public Sector Pay Guidance and is subject to negotiation with Trade Unions.

Remuneration for the Chief Executive is decided in line with the Scottish Public Sector Pay Policy for Senior Appointments, agreed with the Scottish Government and is approved by the Board.

The Chief Constable may award a bonus payment of between £50 and £500 to a serving police officer of Police Scotland where the Chief Constable is satisfied that the police officer concerned, has performed a piece of work of an outstandingly demanding, unpleasant or important nature. There are no provisions within the current pay scales for bonus or performance-related payments for any police staff.

With the exception of some of those detailed in this report, no employee or officer received remuneration in excess of £150,000 in the year.

Board Members

Fees for Board Members are determined in accordance with guidelines prescribed by the Scottish Government Public Sector Pay Policy information, applicable to Senior Public Appointments. During the year, Members' time commitment was an average of up to six days per month. The Chair and Vice Chair were permitted up to fifteen and nine days per month respectively. Current employer pension schemes are not open to Board Members.

Board Members' interests

During the year, apart from their appointments detailed within the Accountability Report, no Board Member has undertaken any transactions with the Authority.



Remuneration of Board Members (audited)

The Board Members received the following remuneration for their services during the year ended 31 March 2023:

	Attendance allowance ¹	2022-23 Taxable expenses ²	Total	Attendance allowance ¹	2020-21 Taxable expenses ²	Total
	£'000	To nearest £100	£'000	£'000	To nearest £100	£'000
Martyn Evans - Chair	92	2,600	95	95	1,200	97
Jane Ryder OBE - Vice Chair (from 26 May 2021)	36	300	36	28	100	28
Jane Ryder OBE - Ordinary Member (to 25 May 2021)	-	-	-	3	0	3
Dr Robert Black CBE FRSE (to 15 Oct 2021)	-	-	-	6	100	6
Paul Edie	23	400	23	20	100	20
Tom Halpin QPM	20	900	21	20	100	20
Alasdair Hay	16	400	17	18	200	18
Katharina Kasper ³	23	8,300	31	22	11,300	34
Grant Macrae	22	300	23	19	100	19
Fiona McQueen CBE	23	1,100	24	17	100	17
Michelle Miller	17	500	18	17	100	17
Mary Pitcaithly OBE	17	300	17	16	200	16
Dr Catriona Stewart OBE	19	300	19	17	100	17
Caroline Stuart	21	100	21	20	-	20
Total	329	15,500	345	318	13,700	332

1. With the agreement of the Scottish Government in March 2023, SPA Members' attendance allowance rates were updated, in line with Public Sector Pay Policy for senior appointments with the increase backdated to 1 April 2022:

Position	Number	2022-23 Daily Rate	2021-22 Daily Rate
Chair	1	£534.92	£530.00
Vice Chair	1	£382.92	£378.00
Member	11	£313.92	£309.00

2. Out of pocket expenses associated with Members' performance of duties at Authority head office, became directly taxable. Accordingly, the value of those expenses, including the tax paid, is shown in the table above as taxable expenses.

3. This relates primarily to the eligible reimbursement of reasonable childcare costs to cover duties undertaken as a Member of the Authority. This is in line with the Board members' allowances and expenses policy.

Details of all Board Member appointments are held within the Directors' Report.

Remuneration of SPA Senior Management Team and Police Scotland Force Executive

The total remuneration of the SPA Senior Management Team and Police Scotland Force Executive is shown in the following tables with full details of their appointment included in the Directors' Report. Apart from the Chief Constable and Deputy Chief Constables, the officials covered by this report, hold appointments which are open-ended unless otherwise stated. Full time equivalent salary figures are shown where appropriate.

The salary of Directors is set within the Authority and Police Scotland, with the work and recommendations of the Senior Salaries Review Body, taken into consideration. The pay and terms and conditions for staff members is negotiated through the Joint Negotiating and Consultative Committee. The pay, and terms and conditions for police officers are negotiated through the Police Negotiating Board (PNB). PNB Circulars 2022-06 and 2022-07 set out the salaries and allowances for all officers within the Police Scotland Force Executive Team. Unless otherwise stated, benefits-in-kind values relate to the provision of vehicles, also available for private use, with values provided to the nearest £100.

The value of the pension benefits in the tables below is calculated as the real increase in pensions multiplied by

HMRC methodology multiplier of 20, plus the real increase in any lump sum. The real increase in pensions excludes increases due to inflation and are net of contributions made by the individual. The valuation does not represent actual payments made to the individuals during the year.

Authority employees and officers are respectively entitled to membership of distinct pension schemes:

- A Local Government Pension Scheme for police staff employees; or
- The Police Pension Schemes¹ for police officers (1987, 2006 and 2015)

¹ Following a change in Pension Regulations, the 1987 and 2006 schemes were closed to membership on 31 March 2022. All active memberships from that date are in the 2015 scheme.

Information on these schemes is included at note 1.19 to the accounts, with full disclosure of the pension accounting liabilities for the Authority and Police Scotland, summarised within notes 22-24 of the Financial Statements. Salaries, accrued pensions and lump sums are disclosed in bands of £5,000, and real increases in pensions and lump sums are disclosed in bands of £2,500.

The SPA Senior Management Team (audited)

2022-23 Total Remuneration	Salary and allowances	Pension benefits ¹	Total
	£'000	£'000	£'000
Lynn Brown OBE Chief Executive and Accountable Officer	140-145	0	140-145
Chris Brown Deputy Chief Executive - Resources	120-125	56	175-180
Barry Sillers Deputy Chief Executive - Strategy & Performance	120-125	29	150-155
Fiona Douglas Director of Forensic Services	140-145	39	175-180

1. Where the real movement in pension benefits is negative, a dash has been inserted in accordance with the SPFM / FRm guidance.

2021-22 Total Remuneration	Salary and allowances	Bonuses ⁴	Pension benefits ³	Total
	£'000	£'000	£'000	£'000
Lynn Brown¹ OBE Chief Executive and Accountable Officer	70-75	0	0	70-75
Chris Brown² Deputy Chief Executive (Resources) (from 1 April 2021) (Joint Acting Chief Executive & Accountable Officer from 1 October 2021)	110-115	0-5	34	145-150
Barry Sillers² Deputy Chief Executive Strategy & Performance (Joint Acting Chief Executive from 1 October 2021)	120-125	0-5	32	150-155
Fiona Douglas Director of Forensic Services (from 1 October 2021)	60-65	0-5	79	140-145
Full-year equivalent	125-130			
Tom Nelson Director of Forensic Services (to 30 September 2021)	65-70	0	0	65-70
Full-year equivalent	130-135			

1. Due to a planned period of medical leave by SPA Chief Executive Lynn Brown, Accountable Officer responsibilities were transferred for a six-month period to Deputy Chief Executive Chris Brown, with Deputy Chief Executive Barry Sillers also taking responsibility for a range of Chief Executive duties. During this period a reduced salary in line with SPA terms and conditions of employment was paid to the Chief Executive. SPA Senior Management team salary bandings are available on the SPA website.
2. In addition to the Deputy Chief Executive salary, Chris Brown and Barry Sillers received a higher paid duties element for their period of Acting Chief Executive roles, included in salary and allowances. This was in relation to a six-month period of absence of the Chief Executive. The payment was within the range £5 – 10k each.
3. Where the real movement in pension benefits is negative, a dash has been inserted in accordance with the SPFM / FReM guidance.
4. In 2021-22 all serving employees received a non-consolidated payment of £250 in recognition of the significant challenges faced in 2020 and 2021.

Pension values (as at 31 March 2023)

Name	Accrued pension at 31 March 2023	Accrued lump sum at 31 March 2023	Real increase in pension	Real increase in lump sum	CETV ¹ as at 31 March 2022	CETV as at 31 March 2023	Real increase in CETV 2022-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chris Brown	10-15	-	2.5-5	-	78	118	27
Barry Sillers	5-10	-	0-2.5	-	83	119	15
Fiona Douglas	25-30	-	2.5-5	-	237	297	25
Tom Nelson ²	-	-	-	-	1,315	-	-

1. Cash equivalent transfer value (CETV).

2. Tom Nelson left his senior role and retired on 30 September 2021. The data shown as at 31 March 2022 is as per the date he retired once his retirement options had been made.

3. Lynn Brown chose not to be covered by the Local Government Pension Scheme arrangements during the reporting year.



Police Scotland Force Executive (audited)

2022-23 Total Remuneration	Salary and allowances	Other pay items	Benefits in kind	Pension benefits ²	Total
	£'000	£'000	To nearest £100	£'000	£'000
Sir Iain Livingstone QPM Chief Constable	235-240	0	7,100	0	240-245
Fiona Taylor QPM Deputy Chief Constable - Professionalism, Strategy and Engagement	190-195	0	7,000	54	250-255
William Kerr OBE¹ Deputy Chief Constable - Local Policing (to 30 November 2022)	125-130	10-15	0	0	135-140
Full-year equivalent	190-195				
Jane Connors Deputy Chief Constable - Crime & Operational Support (from 16 February 2023)	20-25	0	0		20-25
Full-year equivalent	190-195				
Malcolm Graham KPM Deputy Chief Constable - Local Policing	190-195	0	7,500	0	195-200
David Page Deputy Chief Officer - Corporate Support	190-195	0	0	0	190-195
Andrew Hendry² Chief Digital and Information Officer - Digital and Transformation	160-165	0	0	54	215-220
James Gray Chief Financial Officer	140-145	0	0	24	165-170
Jude Helliker Director of People & Development (to 9 October 2022)	70-75	0	0	0	70-75
Full-year equivalent	135-140				
Nicky Page Temporary Deputy Director of People & Development (from 15 August 2022 to 5 February 2023)	45-50	0-	0	0	45-50
Full-year equivalent	100-105				
Katy Miller Director of People & Development (from 6 February 2023)	15-20	0	0	6	20-25
Full-year equivalent	120-125				
Tom McMahon Director of Strategy and Analysis	130-135	0	0	52	185-190

1. William Kerr received Pay in Lieu of Holiday on his departure within the range £10-£15k.

2. Andrew Hendry received a market supplement within the range £15-20k in addition to his basic salary for the financial year 2022-23. The market supplement is included in salary and allowances.

3. Where the real movement in pension benefits is negative, a dash has been inserted in accordance with the SPFM / FReM guidance.

2021-22 Total Remuneration	Salary and allowances	Bonuses ³	Benefits in kind	Pension benefits ²	Total
	£'000	£'000	To nearest £100	£'000	£'000
Sir Iain Livingstone QPM Chief Constable	225-230	0-5	7,300	0	230-235
Fiona Taylor QPM Deputy Chief Constable - Professionalism, Digital and Transformation	180-185	0-5	7,700	38	225-230
William Kerr OBE KPM Deputy Chief Constable - Local Policing	180-185	0-5	0	0	185-190
Malcolm Graham KPM Deputy Chief Constable - Crime and Operational Support	180-185	0-5	7,600	0	185-190
David Page Deputy Chief Officer - Corporate Services, People and Strategy	180-185	0-5	0	105	285-290
Andrew Hendry¹ Chief Digital and Information Officer - Digital and Transformation	155-160	0-5	0	43	200-205
James Gray Chief Financial Officer	130-135	0-5	0	29	160-165
Jude Helliker Director of People & Development	125-130	0-5	0	26	150-155
Tom McMahon Director of Strategy and Analysis	120-125	0-5	0	25	145-150

1. Andrew Hendry received a market supplement within the range £15-20k in addition to his basic salary for the financial year 2021-22. The market supplement is included in salary and allowances.
2. Where the real movement in pension benefits is negative, a dash has been inserted in accordance with the SPFM / FReM guidance.
3. In 2021-22 all serving employees received a non-consolidated payment of £250 in recognition of the significant challenges faced in 2020 and 2021.

In addition to those listed above, ten (2021-22: ten) Assistant Chief Constables are also part of the wider Force Executive but report directly into the Deputy Chief Constables above, who, along with the Chief Constable, the Deputy Chief Officer and Directors, are the main decision-makers.

Pension values (as at 31 March 2023)

Name ³	Accrued pension at 31 March 2023	Accrued lump sum at 31 March 2023	Real increase in pension ¹	Real increase in lump sum ¹	CETV ² as at 31 March 2022	CETV as at 31 March 2023	Real increase in CETV 2022-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sir Iain Livingstone QPM	155-160	-	-	-	3,341	3,500	(209)
Fiona Taylor QPM	15-20	-	2.5-5	-	173	249	33
Jane Connors ³	115-120	-	-	-	2,661	2,681	(17)
Malcolm Graham KPM ⁴	110-115	-	0-2.5	-	1,629	1,814	(6)
David Page	15-20	-	-	-	315	306	(61)
Andrew Hendry	10-15	-	2.5-5	-	65	99	17
James Gray	20-25	-	0-2.5	-	177	217	8
Jude Helliker	65-70	-	-	-	984	1,011	(24)
Nicky Page	35-40	30-35	0-2.5	-	448	459	(5)
Katy Miller	0-5	-	0-2.5	-	-	5	3
Tom McMahon	20-25	-	2.5-5	-	196	239	29

1. Where the real movement in pension benefits is negative, a dash has been inserted in accordance with the SPFM / FReM guidance.
2. Cash equivalent transfer value (CETV).
3. Jane Connors joined the scheme part way through 2022-23 and transferred-in her benefits. The actuaries have estimated the pension on the date of transfer in February 2023. The CETV value has been estimated on the date of transfer in February 2023 and has allowed for part year inflation when calculating the real increase.
4. Malcolm Graham's accrued pension supplied by the actuaries as at 31 March 2022 was incorrect and understated. The amount of accrued pension disclosed last year was in the range £85-£90k. The restated figure of accrued pension as at 31 March 2022 is in the range £100-£105k. The actuaries have used this restated accrued pension figure to also restate the CETV calculations. (CETV as at 31 March 2022 was originally £1,369k, restated to £1,629k).

Fair pay (audited)

The Authority is required to disclose the relationship between the remuneration of the highest-paid employee and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration (excluding pension benefits) of the highest paid employee in the organisation in 2022-23 was £235,000-£240,000 for the Chief Constable (2021-22: banding £225,000-£230,000), with the mid-point being £237,500 (2021-22: £227,500). This is a change between years of 4% (2021-22 change: 0%).

Total annualised remuneration includes salary, allowances, performance pay and bonuses payable. It does not include employer pension contributions and the CETV of pensions.

For the employees of the Authority as a whole, the range of remuneration in 2022-23 was from £21,628 to £237,500 (2021-22: £20,598 to £227,500). The percentage change in average salary and allowances (based on total employees as a whole on an annualised basis divided by full time equivalent number of employees) between years is 4% (2021-22: 3%).

The percentage change between the current and previous year in performance pay and bonuses payable (based on total employees as a whole on an annualised basis divided by full time equivalent number of employees) is as follows:

- Police Officer Bonuses ranging between £50 and £1,000 – 2022-23 total £14,300; 30% decrease (2021-22: £20,500¹; 87% increase); and
- In 2021-22 all serving employees received a non-consolidated payment of £250, totalling £5.7m, in recognition of the significant challenges faced in 2020 and 2021. No comparable payment was made in 2022-23, so the percentage change is n/a.

¹ Included a total £8,500 for a G7 event.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid employee (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2022-23	25th percentile	Median	75th percentile
Salary component of pay	£34,991	£42,806	£45,081
Total pay, performance pay and bonuses excluding pension benefits	£34,991	£42,806	£45,131
Pay, performance pay and bonuses excluding pension: pay ratio for highest paid employee	6.8:1	5.5:1	5.3:1

2021-22	25th percentile	Median	75th percentile
Salary component of pay	£33,325	£41,578	£43,108
Total pay, performance pay and bonuses excluding pension benefits	£33,575	£41,828	£43,358
Pay, performance pay and bonuses excluding pension: pay ratio for highest paid employee	6.8:1	5.4:1	5.2:1

Pay ratio movements are predominantly static from 2021-22 to 2022-23 despite an increase in the pay of the Authority's employees as a whole, which includes an increase in the highest paid employee salary banding.

The median pay ratio shows a slight widening between 2021-22 and 2022-23. For police staff, lower and mid-graded posts continued to benefit from higher percentage increases than those in more senior grades.

Consultancy and temporary staff

Staff paid through an agency disclosed in total staff costs on page 99 was £2.85 million (2021-22: £1.86m), there was an additional £1.61 million (2021-22: £1.34m) of contractors' fees which were capitalised within additions in ICT assets under construction. Other consultancy fees can be found in note 4 to the financial statements.

Off-payroll appointments

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater

Number (No.) of existing engagements as of 31 March 2023	31
Of which, no. that existed:	
• Less than 1 year	22
• For between 1 and 2 years	3
• For between 2 and 3 years	2
• For between 3 and 4 years	4
• For 4 or more years	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater

No. of temporary off-payroll workers engaged during the year ended 31 March 2023	50
Of which:	
• Not subject to off-payroll legislation	-
• Subject to off-payroll legislation and determined as in-scope of IR35	36
• Subject to off-payroll legislation and determined as out-of-scope of IR35	14
No. of engagements reassessed for compliance or assurance purposes during the year	11
• Of which: Number of engagements that saw a change to IR35 status following review	7

Staff Report

Staff analysis by gender

The table below summarises the actual number (headcount) of Board members, external secondees, employees and officers by gender:

Category of staff	As at 31 March 2023				As at 31 March 2022			
	Male	Female	%*	Total	Male	Female	%*	Total
Board Members	5	7	58	12	5	7	58	12
SPA Senior Management Group	2	2	50	4	2	2	50	4
Police Scotland Force Executive	6	4	40	10	7	2	22	9
SPA & Police Scotland staff	2,330	3,941	63	6,271	2,278	3,831	63	6,109
Agency staff ¹	3	-	-	3	16	7	30	23
Police officers	11,098	5,781	34	16,879	11,422	5,723	33	17,145
Special Constables	284	125	31	409	304	141	32	445
Total	13,728	9,860	42	23,588	14,034	9,713	41	23,747

* Indicates the percentage of females for each category of staff.

1. Agency staff numbers are shown as at 31 March and do not represent movement in numbers during the year, while agency staff costs represent the full year.



Total staff costs analysis (audited)

2022-23	Board members £'000	Staff £'000	Officers £'000	Agency Staff £'000	Total £'000
Wages and salaries	329	219,808	770,604	2,850	993,591
Social security costs	34	23,582	88,909	-	112,525
Pension costs	-	43,767	22,358	-	66,125
	363	287,157	881,871	2,850	1,172,241
IAS19 pension adj. (note 23)	-	54,711	(8,700)	-	46,011
	363	341,868	873,171	2,850	1,218,252
Staff headcount	12	6,281	17,292	3	23,588

2021-22	Board members £'000	Staff £'000	Officers £'000	Agency Staff £'000	Total £'000
Wages and salaries	318	203,432	768,280	1,858	973,888
Social security costs	27	20,415	82,665	-	103,107
Pension costs	-	41,650	16,853	-	58,503
	345	265,497	867,798	1,858	1,135,498
IAS19 pension adj. (note 23)	-	67,752	225,200	-	292,952
	345	333,249	1,092,998	1,858	1,428,450
Staff headcount	12	6,118	17,594	23	23,747

Officers' wages and salaries include such items as basic pay, allowances, parental pay, redundancy costs, sick pay, TOIL and any long-service awards. It also incorporates annual allowances paid to Special Constables of £331,805 (2021-22: £323,257) during the year. Officers' pension costs include both ill health and injury pensions. Staff and officer pay levels are compliant with the UK living wage.

Additional staff details

There were seven officers (2021-22: four) and seven staff members (2021-22: five) who died during the year. There were also 68 officers (2021-22: 40), and 40 members of staff (2021-22: 17) who retired through ill health.

Exit packages (audited)

In recognition of the ongoing programme of organisational change, the Scottish Government agreed to extend the terms of the current Authority voluntary redundancy and voluntary early retirement (VR/VER) schemes until 31 March 2023. As in the previous year, there continues to be a Scottish Government Public Sector Pay Policy of no compulsory redundancies. Reform funds were made available to maximise sustainable organisational benefits. VR/VER releases represent a significant cost, and must be balanced with other change investments.

The VR/VER scheme is open to all SPA and Police Scotland employees with a minimum of two years continuous service. Employees working in functions which have a critical role to play in any new structure are unlikely to be released unless they can be backfilled by staff whose posts are at risk of redundancy.

The National Voluntary Release Panel reviewed the applications submitted in line with the process agreed by the Board and approved 14 releases during 2022-23 (2021-22: 21).

The values of the individual packages approved under the voluntary severance scheme for staff members accrued during the year including pension payments, are shown above.

During the financial year eight financial settlements were entered into with four employees in the £0-£10,000 range, one employee in the £10,000-£25,000 range, one employee in the £25,000-£50,000 range and two employees in the £50,000-£100,000 range (2021-22: eleven in total). The payments were made for employment tribunal claims outside the VR/VER policy and are not included in the above table. The payments are disclosed as special severance payments in the Parliamentary Accountability Report on page 120.

Value of package including pension strain costs	2022-23 Total Employees	2021-22 Total Employees
<£10,000	1	-
£10,000 - £25,000	3	4
£25,000 - £50,000	3	3
£50,000 - £100,000	4	6
£100,000 - £150,000	1	2
£150,000 - £200,000	0	3
> £200,000	2	3
Total number of exit packages	14	21
	£'000	£'000
Total cost of agreed departures during the year	1,037	2,261
	£'000	£'000
Total cost of agreed departures during the year excluding Compensatory added years (CAY) estimated future costs	820	1,606

1. 2021/22 bandings and Total cost figures restated.

Attendance management

The absence management figures for both the Authority and Police Scotland combined, shown as a percentage of days available, are as follows:

	Short term	Long term	2022-23 Total	Short term	Long term ¹	2021-22 Total
Staff	49.4%	50.6%	7.1%	51.2%	48.8%	8.1%
Officers	48.5%	51.5%	7.3%	58.2%	41.8%	8.3%

1. Figures for 2021-22 have been restated due to absences from April 2021 being calculated on a working days lost basis rather than working days available.

Trade union (TU) facility time reporting

TU	Facility time	2022-23	2021-22
1	Employees identified as union officials (and full time equivalent)	24(23.8)	31 (30.3)
2	Proportion of working time spent on facility time (no. of employees)		
	2a 0% of working time	5	9
	2b 1-50% of working time	12	14
	2c 51-99% of working time	1	2
	2d 100% of working time	6	6
3	%age of pay bill spent on facility time ^a	0.03	0.03
4	%age of time spent on trade union activities ^b	5	6

a. Calculated as: Total cost of facility time ÷ Total pay bill

b. Calculated as: Total hours spent on trade union activities by relevant union officials during the relevant period ÷ Total paid facility hours.

Full details of trade union facility time are also disclosed on the Police Scotland website, in line with legislative requirements laid out in the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Staff turnover

Staff turnover percentage includes all officers and staff employed. For a given period, the turnover figure is calculated as the number of leavers within that period divided by the average of staff in post over the period.

	2022-23	2021-22
Staff turnover percentage	8.3%	6.4%



Employee relations

This year saw the [first annual assessment](#) of policing's delivery against Fair Work, which was developed based on Scottish Government's [Fair Work First Guidance](#). The overall outcome of the assessment presented to the People Committee in May 2023 was:

- The commitment to Fair Work is clear through the breadth of current and planned activity;
- There is recognition of the need to enhance the approach to measuring and reporting impact of activity to demonstrate this is translating into positive outcomes; and
- The annual assessment approach, through identified areas for development, provides a route map to fully embed the principles of Fair Work into policing.

The assessment is a key source of evidence for the upcoming People Strategy with steps being taken to address the identified areas for development being mainstreamed into strategic planning and delivery. The overall intent of the assessment is to support continuous improvement by tracking progress and identifying and progressing priority areas.

The remainder of this section outlines key workforce developments drawing from reports presented to the Authority and key findings within the [Fair Work Annual Assessment](#).

Fair Work First Guidance

Supporting the implementation of Fair Work First in workplaces across Scotland

March 2023

 Scottish Government
Riaghaltas na h-Alba

Equality & diversity

Institutional Discrimination

In [May 2023](#) the Chief Constable stated that Police Scotland is institutionally racist and discriminatory highlighting that publicly acknowledging this is essential to demonstrate an absolute commitment to champion equality and become an anti-racist service.

This view was based on the fact that people from different backgrounds or with different requirements don't always get the service that is their right. Equally this is the case for our own officers and staff who don't have the experiences they deserve. The Chief Constable highlighted that this relates to policing not having all the necessary policies, processes, practices and systems in place to ensure this doesn't happen. In other words, this is about processes, practices and structures rather than about our officers and staff. The full statement is available on the [Police Scotland Website](#).

Policing Together

Policing Together, which launched on 30 September 2022, seeks to ensure policing values and the commitment to uphold human rights lies at the heart of all we do. The key focus is to build and maintain the bond of trust, which underpins policing legitimacy with and for the public, by challenging discrimination internally and externally – and challenge our own and each other's behaviours, attitudes and actions.

Policing Together provides a focal point and platform to share the significant work already undertaken as well as bring additional energy and direction to equality, diversity and inclusion imperatives. The four pillars for Policing Together and key areas of progress related to each of these pillars are outlined in table below:

Pillar	Key Areas of Progress
Leadership	Your Leadership Matters programme was rolled out to senior leaders in 2021 and is currently being rolled out to over 5,000 officers and staff with line management responsibilities. This programme empowers leaders to lead inclusively and proactively, creating a more diverse and inclusive working environment
Training	EDI e-learning is now part of the mandatory training calendar, meaning officers and staff will have the opportunity to refresh their knowledge and re-set expectations annually. This work is being complemented by plans to progress face-to-face and group discussion
Communication	Corporate Communications currently has a strong focus on building and maintaining professional standards and boundaries, through their Values and Standards Campaign
Prevention	A significant programme of training/awareness inputs on recurring themes and issues has been delivered by the Professional Standards Department Learning and Improvement Team, delivering 25 sessions to over 1000 colleagues.

Full details of the [Policing Together Programme](#) were presented to the Authority Meeting in May 2023.

Progress on our Joint Equality Outcomes and the mainstreaming of EDI is available on the [Equality and Diversity Section](#) of the SPA Website. This work demonstrates our commitment to and compliance with our public sector equality duty and has a focus on identifying and removing barriers for under-represented groups.

EDI Workforce Data is available on the Police Scotland and [SPA Websites](#).



Voice – Workforce Representatives and Staff Surveys

Voice was a key area of focus for the [Fair Work Annual Assessment](#), with this explicitly demonstrated by the collaborative nature of the assessment along with Statutory Staff Associations and Trade Unions. The assessment itself recognised key structures are in place to allow the voices of workforce representatives to be heard. To support continuous improvement, key areas for development were identified to support the more effective operation of these structures going forward with progress being assessed as part of next year's annual assessment.

The assessment also positively recognised there are national and local implementation plans in place to seek to address concerns raised as a result of the Your Voice Matters Staff Survey. Positively the main survey has also been supported by subject specific surveys on key issues such as grievances and Sex Equality and Tackling Misogyny. Progress against the [Your Voice Matters Implementation Plan](#) and the work in relation to [Sex Equality and Tackling Misogyny](#) were presented to the People Committee in May 2023.

Next year the Fair Work Annual Assessment will consider the extent to which clear organisational ownership has ensured progress in advance of the next staff survey, whilst also considering the extent to which resourcing/funding are legitimate barriers to addressing engrained issues identified in the staff survey.



Policy

Hybrid Working

Post-COVID-19, all areas of policing have continued to support home and hybrid working for groups of our workforce. Hybrid working guidance was implemented in June 2022 outlining the organisation's ambition to retain flexibility in the form of hybrid working.

Grievance

A holistic review of how grievances are handled has been progressed in response to key recommendations within both the Dame Elish Angiolini 'Independent Review of Complaints Handling, Investigations and Misconduct Issues in relation to Policing' report and the Police Service of Northern Ireland's review of a specific Employment Tribunal Judgement.

A 'Creating a Positive Workplace' working group was established and was informed by a 'lived experience' survey (reference in Voice section), which provided an opportunity for the workforce to share their own individual experience of raising or managing a workplace issue or grievance. The results of this survey alongside outputs from a Sexism, Equality and Tackling Misogyny survey, are being used to make improvements to the grievance experience and culture of the organisation. It is expected that the work of this group will address recommendations both in the reviews and the ongoing HMICS Inspection into Organisational Culture.

The working group have been exploring a range of grievance solutions and support measures including production of an amended 'Resolving Workplace Issues and Grievances Procedure' which is now in draft and the introduction of a mechanism for reporting unacceptable behaviours within our organisation as well as more effective support for those who report such behaviour.

Disability in Employment

It is positive to recognise that SPA/Police Scotland have a Disability in Employment Procedure demonstrating our commitment as a Disability Confident employer to seek to recruit people for their skills and talent.

The procedure aims to:

- Ensure an increased organisational understanding of disability issues;
- Ensure line managers are aware of their responsibilities in relation to supporting those with disabilities;
- Ensure the consistent and fair application of reasonable adjustments, preventing unnecessary and repeated delays in responding to requests; and
- Make the most effective use of external resources and funding available.

Areas for Development

In overall terms the Fair Work Annual Assessment commented positively on the structured approach to ensuring stakeholders can influence the development of new/revised procedures through consultation. In terms of impact, it was identified that more work is required to ensure people related procedures are supported with outcome focused measures/KPIs to better enable assessment of impact and any need to carry out reviews.

Reward

Our approach to Pay and Reward continues to be consistent with our Pay and Reward Policy to have a Modern, Fair and Equitable and Sustainable organisation. Following negotiated agreement greater flexibility is now available to parents and adopters with the new provision of full pay for the first four weeks of parental leave per child. By enhancing this from an unpaid provision it is intended to support caring responsibilities beyond the early stages following birth. In addition, flexitime has been introduced for Inspecting and Superintending ranks to provide the ability to work more flexibly where possible.

In relation to pay it is important to recognise all officers and staff are paid above the real living wage. As at April 2022 the minimum hourly rate for staff was 20% higher than the real living wage with the starting salary for officers 36% higher.

Areas for development identified in the Fair Work Annual Assessment include the need to carry out an evidence-based assessment on the rationale, benefits and risks of implementing pay indexation for police officers along with the need to progress a collaborative and strategic approach to pay and reward to the benefit of the organisation and individuals.

Performance Management/Development

SPA/Police Scotland have now launched MyCareer, a new appraisal system designed to recognise everyday contribution of officers and staff, and that everyone is different, with different motivations and long-term career aspirations. MyCareer is underpinned by the Competency and Values Framework, with a direct link to values-based policing. More details in relation to the roll out of MyCareer are available as part of the [Bi-Annual Leadership and Talent](#) update presented to the People Committee in February 2023.

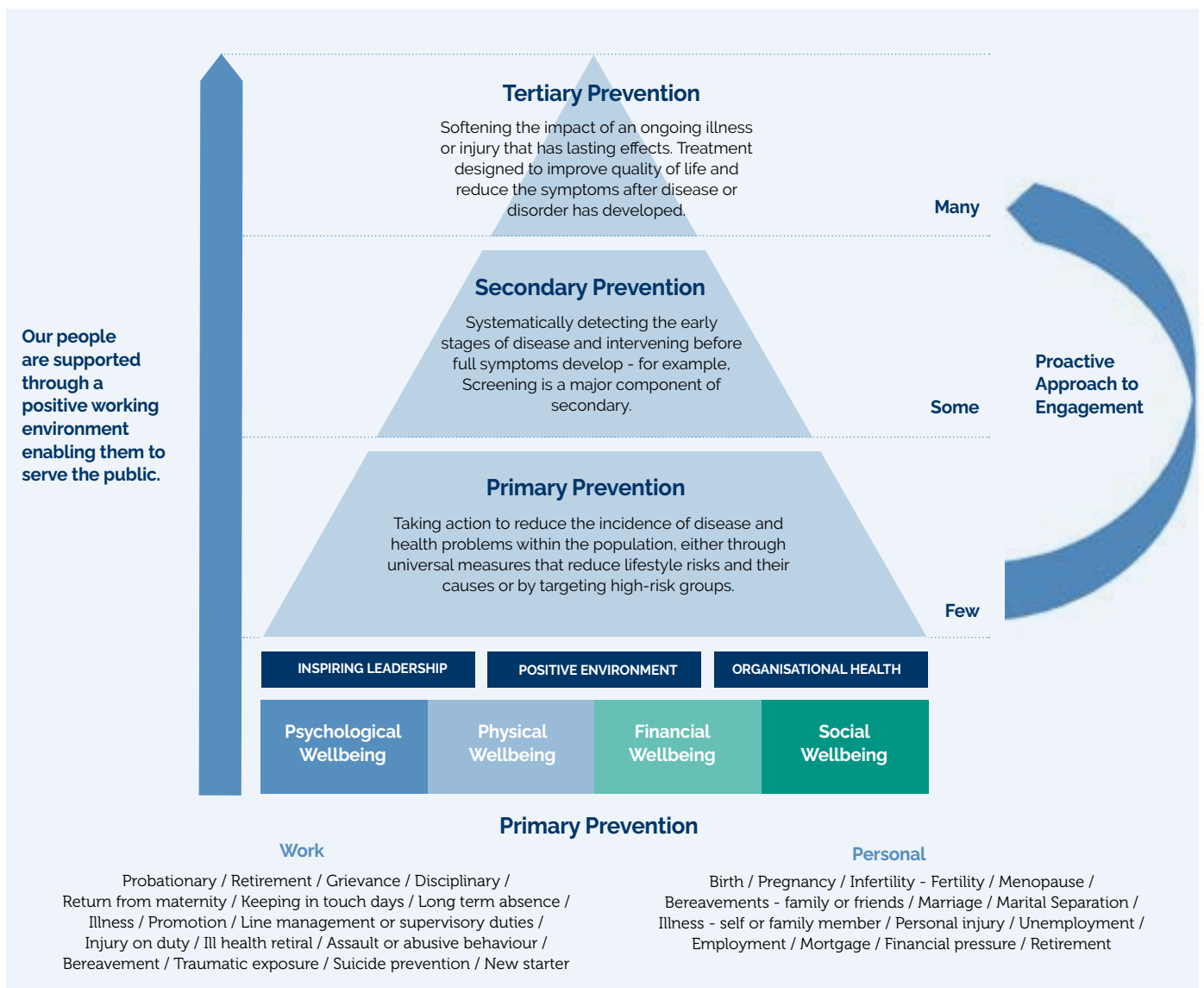
The focus of next year's Fair Work Annual Assessment will be to understand the extent to which MyCareer supports management to set out realistic and reasonable performance expectations as well as being an effective mechanism for SPA/Police Scotland to identify and develop talent.

Wellbeing

The Joint Strategy for Policing commits to prioritise wellbeing and keep our people safe, well equipped and protected. The approach to wellbeing has largely been driven by Your Wellbeing Matters programme promoting and embedding an inclusive approach to wellbeing within policing, taking proactive measures and promoting good practice to ensure our people feel informed, valued and supported.

Progress continues to be reported to the SPA People Committee on a quarterly basis with an [annual update](#) on progress provided to the People Committee on 31 May 2023. A key area of focus, highlighted in the Fair Work Annual Assessment, is to ensure we have recognised wellbeing measures/KPIs to support assessment of impact of activity.

In August 2022 we outlined the outcome of our Health and Wellbeing Programme Review as well as our Health and Wellbeing Framework to the [SPA People Committee](#).



Health & Safety

The Health and Safety Team carry out a proactive annual assurance programme of audits every year. The types of inspection include general review of police stations and SPA premises as well as specific reviews of custody and production facilities.

The purpose is broadly to check the safety of a building and ensure fire safety, legislation and other best practice guidance is being followed. All findings are tracked and monitored with a focus on addressing higher risk actions.

The main themes from the audits cover matters such as the standard of fire detections systems, compartmentation standards, possible ligature points, standards of paint and other surfaces.

Accident Reporting

Most RIDDORs we report to the Health and Safety Executive are minor in nature but result in a 7-day absence. Serious injuries occur much less frequently and the number of RIDDORs is very low given the size of the organisation and the nature of the work carried out.

Other issues

Legionella

In December 2022, Police Scotland Headquarters, Tulliallan, was temporarily closed following the discovery of traces of legionella bacteria in the water system. Remedial action and improvements have been put in place with an independent review undertaken into the issue. There have been no confirmed cases of legionella in people at Tulliallan.

Reinforced Autoclaved Aerated Concrete (RAAC)

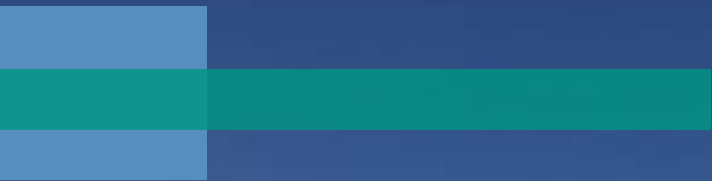
In April 2023 RAAC was identified in roof of the Fettes fleet workshop in Edinburgh. RAAC can degrade over time and structural engineers assess the condition of this roof as 'red-high risk' requiring immediate attention.

As a result, the workshop was closed and business continuity plans put in place. An immediate review was undertaken of buildings across the whole police estate built. Following inspections RAAC was found to be present in three locations. Plans are in place to manage or move from the impacted areas.

The table below provides detail of accidents.

Accident type	2022-23 ¹	2021-22	%Increase/ (Decrease)
Injuries due to assault	4,820	4,781	1%
Injuries during arrest	1,032	773	34%
Exposure to hazardous substance	74	23	222%
Other incidents	972	622	56%
Slips, trips and falls	269	276	(3)%
Road traffic occurrence injuries	257	195	32%
Manual handling – person	77	165	(53)%
Manual handling – object	146	147	(1)%
Contact with animal	91	73	25%
Slips, trips and falls	54	31	74%
Needlestick injury	16	16	0%
Total	7,808	7,102	10%
RIDDOR Reports – included in the above total (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995)	183	157	17%

1. 2022-23 draft figures



Part 3 Parliamentary Accountability and Audit Report

Overview

The Authority is held to account by Parliament through statutory arrangements put in place through the Public Finance and Accountability (Scotland) Act 2000. The organisation's Statement of Resource Outturn and related notes are subject to audit on behalf of the Auditor General for Scotland.



Statement of Resource Outturn

	2022-23			2021-22		
	Funding £'000	Outturn £'000	Funding vs Outturn £'000	Funding £'000	Outturn £'000	Funding vs Outturn £'000
Revenue resource ¹	1,299,186	1,299,286	(100)	1,225,040	1,228,527	(3,487)
Revenue reform	21,300	21,166	134	23,100	22,913	187
COP26 resource	-	-	-	49,100	48,990	110
Total resource DEL²	1,320,486	1,320,452	34	1,297,240	1,300,430	(3,190)
Working capital (cash only)³	5,422	5,397	25	27,027	-	27,027
Capital resource ¹	48,900	48,584	316	50,073	49,656	417
IFRS16 ⁴	4,901	4,908	(7)			
Capital reform	4,600	4,600	-	4,600	4,600	-
COP26 capital	-	-	-	2,400	2,510	(110)
Capital grant income	1,272	1,272	-	1,094	1,094	-
Total capital DEL²	59,673	59,364	309	58,167	57,860	307
Capital receipts	2,693	1,406	1,287	3,205	2,737	468
Resource under/ (over) spend	1,388,274	1,386,619	1,655	1,385,639	1,361,027	24,612
ODEL Funding – pre 2004-05 loan interest	5,051	5,051	-	3,804	3,804	-
Resource under/ (over) spend including ODEL	1,393,325	1,391,670	1,655	1,389,443	1,364,831	24,612

1. Resource funding provided through periodic Grant in Aid payments. See also note 25 to the Financial Statements.

2. Departmental Expenditure Limit

3. Cash funding related to the resource DEL deficit position above (as noted in the Financial Performance section of the Performance Analysis in the Annual Report, and Note 25 to the Financial Statements).

4. Non-cash element of Capital Resource funding

Reconciliation of Statement of Resource Outturn to Statement of Comprehensive Net Expenditure

	2022-23	2021-22
	£'000	£'000
Comprehensive net expenditure	1,807,006	1,933,315
Non-cash costs		
Depreciation & amortisation	(59,720)	(52,228)
AME-funded impairments/revaluations	(9,587)	(8,346)
Impairment of bad debt	(1)	35
Capital grant Income	1,272	1,094
Pension fund interest	(376,220)	(282,498)
IAS19 pension adjustment	(46,011)	(292,952)
Provisions	3,713	2,010
Total non-cash costs	(486,554)	(632,885)
Comprehensive net expenditure attributed to revenue budgets	1,320,452	1,300,430

Cash Grant in Aid funding from the Scottish Government is allocated each year to the Authority under Resource (cash) funding from the original Departmental Expenditure Limit (DEL) which consists of separate budgets controlled through DEL, represented by:

- Net resource spending (resource DEL);
- Net capital expenditure (capital DEL); and
- Outside DEL expenditure (ODEL) which represents a sum allocated, by HM Treasury, against loan repayments for borrowings agreed and held by councils prior to 2005.

Total resource funding (including ODEL and Reform funding) for the year to 31 March 2023 was £1.393 billion (2021-22: £1.389bn) representing an overall increase in resources of £4m. When non-recurrent COP26 funding of £51.5 million is excluded from the 2021-22 figures, total funding is £1.338 billion. This leads to an adjusted increase in 2022-23 of £55m (4.1%).

Income from activities (see note 3), relates to income raised by the Authority to offset against expenditure.

Scottish Government agreed an annual recurring cost of £941,250 (2021-22: £941,250) for the cost of SPPA's role as Scheme Manager of the Police Officers' Pension Scheme. This amount was deducted from the Authority's baseline budget in respect of the costs due to SPPA. Therefore, this amount is not included within the cash Grant in Aid figure within the Annual Report & Accounts.

Non-cash funding

Non-cash funding is allocated as follows:

- Ring-fenced DEL which comprises non-cash expenditure such as depreciation;
- Annually Managed Expenditure (AME) which is a separate budget covering expenditure such as pension adjustments, and some provisions and impairments, which cannot be fully controlled; and
- Other non-cash resource funding received.

Statement of Resource Outturn – Annually Managed Expenditure (AME) Funding

	Note	2022-23 £'000	2021-22 £'000
Increase/(decrease) in AME provisions	21	(3,713)	(2,010)
IAS 19 pension adjustment in pension Interest for staff	22	6,520	9,498
IAS 19 pension adjustment in staff costs	22	54,711	67,752
Depreciation (AME)		349	-
AME funded impairments / revaluations	7/8	9,587	8,346
Total AME expenditure		67,454	83,586
Total AME funding received	25	(78,921)	(75,000)
Total AME over / (under) spend		(11,467)	8,586

Statement of Resource Outturn – non-cash funding

	Note	2022-23 £'000	2021-22 £'000
Depreciation		59,371	52,228
Total non-cash expenditure		59,371	52,228
Total non-cash ring-fenced GiA received	25	(57,071)	(50,000)
Total non-cash over/(under) spend		2,300	2,228

Fraud

Every two years, the UK Cabinet Office initiates a National Fraud Initiative (NFI), collating electronic data across the public sector to identify possible fraudulent transactions. In Scotland, this work is led by Audit Scotland, and overseen by the Cabinet Office. The Authority provided purchase ledger and payroll data for the most recent exercise (2022/23) and data matches were identified, reviewed and returned. All high-risk items were investigated and no incidents of suspected fraud were identified within the exercise. The remaining items were reviewed, compliant with NFI procedures.

Losses, special payments and write-offs

Following reviews of overdue sales invoices, the Board approved the write offs of 9 invoices with a value of £408 and write backs of 13 receipts with a credit value of £ (731); a total of £ (323) (2021-22: £ (2,867)).

This review has also resulted in an increase in the impairment for bad debts within trade receivables (note 14) to £17,267 (2021-22: £16,535). In addition to the bad debt write off, obsolete stock (note 13) was also written off during 2022-23 with a total value of £31,291 (2021-22: £1,341,018). Following an internal review of unrecoverable payroll debt, pay losses totalling £31,291 were written off during 2022-23 (2021-22: £44,958).

Fruitless payments totalling £55,000 were written off during 2022-23 (2021-22: nil).

Legal costs arising during the normal course of operations are included at note 4 to the Accounts. A provision for litigation is detailed at note 21 to the Accounts.

Payments to individuals who have taken voluntary redundancy are disclosed within the Remuneration and Staff Report. Special severance payments made for employment tribunal claims

Special severance payments*	2022-23	2021-22
Total number	8	11
Total amount paid	£214,749	£2,095,488
Max. individual amount paid	£75,000	£1,918,725
Min. individual amount paid	£2,500	£1,000
Median amount paid	£10,500	£22,071

* Payments have been grossed up for tax.

There have been no other material losses, special payments or write-offs during the year.

Donations

Small donations were made during the year to volunteering organisations and community safety fund partnerships. Overall these payments amounted to approximately £210,000. A small number of other donations were made, none of which exceeded £1,000.

	2022-23	2021-22
Mountain Rescue Service	98,000	61,700
University of Edinburgh – Save a Life for Scotland Project	20,000	20,000
Police Treatment Centre	72,000	60,190
Scottish Police Memorial Trust	5,000	5,000
Care of Police Survivors	2,500	2,000
Denis Law Legacy Trust	0	2,500

Remote contingent liabilities (audited)

The Authority is not aware of any remote contingent liabilities that it would be required to disclose under the requirements of the Financial Reporting Manual.

Supplier payment policy

The Authority aims to comply with the Government's Better Payment Practice Code. Unless otherwise stated in the contract, the service aims to pay within ten working days from either the receipt of goods or the presentation of a valid invoice, whichever is the later.

71% of supplier invoices were paid within the normal trading terms of 30 days (2021-22: 84%). The number of invoices taking longer than ten working days has increased from 49% in 2021-22 to 69% in 2022-23. The trade creditor level as at 31 March 2023 was 27 days compared to 19 days in 2021-22

Lynn Brown OBE
Chief Executive & Accountable Officer

Independent Auditor's Report

Independent auditor's report to the members of the Scottish Police Authority, the Auditor General for Scotland, and the Scottish Parliament

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of the Scottish Police Authority for the year ended 31 March 2023 under the Police and Fire Reform (Scotland) Act 2012. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In our opinion the accompanying financial statements:

- Give a true and fair view of the state of the body's affairs as at 31 March 2023 and of its net expenditure for the year then ended;
- Have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- Have been prepared in accordance with the requirements of the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue. These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud.

Procedures include:

- Using our understanding of the central government sector to identify that the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- Inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;

- Inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- Discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- Considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report. Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers; and

- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- The financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Joanne Brown

Audit Partner

(for and on behalf of
Grant Thornton UK LLP)
110 Queen Street
Glasgow
G1 3BX
26 October 2023

Financial Statements of the Scottish Police Authority

Statement of Comprehensive Net Expenditure
Statement of Financial Position
Statement of Cash Flows
Statement of Changes in Taxpayers' Equity
Notes to the Accounts

Statement of Comprehensive Net Expenditure

Year ended 31 March 2023

	Note	2022-23 £'000	2021-22 £'000
Expenditure			
Staff costs	2a	1,218,252	1,428,450
Other expenditure	4	188,347	199,692
		1,406,599	1,628,142
Depreciation & amortisation	7/8/10	59,720	52,228
Operating expenditure	2	1,466,319	1,680,370
Income from activities	3	(48,272)	(42,590)
Net Expenditure before interest		1,418,047	1,637,780
Loss on impairment of assets	7	9,587	8,346
Interest and related			
Pension fund interest	22	376,220	282,498
PFI interest		1,540	1,709
Discounting movement	21	(1,380)	-
Lease interest		476	125
Loan and other interest		2,516	2,857
		379,372	287,189
Net expenditure		1,807,006	1,933,315

Other comprehensive expenditure	Note	2022-23 £'000	2021-22 ¹ £'000
These items will not be reclassified to net expenditure			
Net (gain)/loss on revaluation reserve		(27,466)	(6,179)
Net (gain)/loss on revaluation of investment properties	9	(446)	150
IAS19 actuarial (gain)/loss	22	(11,284,298)	1,329,018
Total other comprehensive (Gain)/Loss		(11,312,210)	1,322,989

Total Comprehensive Net Expenditure	(9,505,204)	3,256,304
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¹ IAS actuarial loss restated (reduction in original figure of £1,717,618 to £1,329,018) as a result of a prior period adjustment relating to an error in actuarial information.

The notes on pages 135 to 193 form part of these accounts.

Statement of Financial Position as at 31 March 2023

	Note	2022-23 £'000	2021-22 ¹ £'000
Non-current assets			
Property, plant and equipment	7	542,525	520,472
Right of use assets	8	56,813	-
Investment properties	9	14,025	13,579
Intangible assets	10	18,145	21,218
Pension assets	22/24	47,086	-
Total non-current assets		678,594	555,269
Current assets			
Cash and cash equivalents	12	26,146	46,880
Inventories	13	4,866	4,833
Trade and other receivables	14	46,813	43,240
Assets held for sale	15	2,547	2,758
Total current assets		80,372	97,711
Total assets		758,966	652,980
Current liabilities			
Trade and other payables	16	(139,637)	(151,159)
Total current liabilities		(139,637)	(151,159)
Total assets less net current liabilities		619,329	501,821
Non-current liabilities			
Lease liabilities	16	(41,806)	(1,658)
PFI liabilities	16	(9,464)	(11,130)
Long-term loan liabilities	20	(58,367)	(62,504)
Provisions	21	(15,096)	(18,809)
Total non-current liabilities		(124,733)	(94,101)
Total net assets before pension liabilities		494,596	407,720
Pension liabilities	22/23	(13,252,800)	(24,067,781)
Assets less liabilities		(12,758,204)	(23,660,061)
Taxpayers' equity			
General fund		297,502	283,334
Revaluation reserve		150,008	124,386
Taxpayers' equity before pension liabilities		447,510	407,720
Pension Reserve	22	(13,205,714)	(24,067,781)
Total taxpayers' equity		(12,758,204)	(23,660,061)

¹Pension Liabilities plus Pension Assets; and Pension Reserve values, have been restated by equal and opposite amount of £388,600k as a result of a prior period adjustment relating to an error in actuarial information.

Lynn Brown

Chief Executive & Accountable Officer

26 October 2023

Authorised for issue on 26 October 2023

The notes on pages 135 to 193 form part of these accounts.

Statement of Cash Flows

Year ended 31 March 2023

	Note	2022-23 £'000	2021-22 £'000
Cash flows from operating activities			
Net deficit from operating activities		(1,807,006)	(1,933,315)
Adjustments for non-cash transactions	6	490,590	637,003
(Increase)/decrease in inventories	13	(33)	1,535
(Increase)/decrease in trade and other receivables	14	(3,573)	561
Increase/(decrease) in trade and other payables		(10,274)	7,146
(Decrease)/increase in provisions	21	(3,713)	(2,010)
Net cash outflow from operating activities		(1,334,009)	(1,289,080)
Cash flows from investing activities			
Purchase of property, plant and equipment		(56,562)	(50,919)
Purchase of intangible assets	10	(3,554)	(5,640)
Proceeds from disposal of property, plant, equipment	7	2,693	3,205
Net cash outflow from investing activities		(57,423)	(53,354)
Cash flows from financing activities			
Grant in Aid from the Scottish Government	25	1,384,268	1,385,144
Payments to repay leases - interest	SOCNE	(476)	(125)
Payments against lease liabilities		(4,944)	
Payments to repay PFI agreements - interest	SOCNE	(1,540)	(1,709)
Payments to repay long-term loans - interest		(1,095)	(1,011)
Payments to repay leases - capital		-	(175)
Payment to repay PFI agreements - capital		(1,474)	(1,305)
Payments to repay long-term loans - capital		(4,041)	(2,768)
Net financing		1,370,698	1,378,051
Net increase/(decrease) in cash and cash equivalents	12	(20,734)	35,617
Cash/cash equivalents at the beginning of the year	12	46,880	11,263
Cash/cash equivalents at the end of the year	12	26,146	46,880

The notes on pages 135 to 193 form part of these accounts.

Statement of Changes in Taxpayers' Equity

Year ended 31 March 2023

	Note	General Fund £'000	Pension ¹ £'000	Revaluation Reserve £'000	Total £'000
Balance as at 31 March 2021		248,124	(22,163,313)	118,207	(21,796,982)
Cash Grant in Aid	25	1,385,144	-	-	1,385,144
Net expenditure for the year		(1,357,865)	(575,450)	-	(1,933,315)
Revaluation gains and (losses)	7/8/9/10/22	7,931	(1,329,018)	6,179	(1,314,908)
Balance as at 31 March 2022		283,334	(24,067,781)	124,386	(23,660,061)
Cash Grant in Aid	25	1,384,268	-	-	1,384,268
Net expenditure for the year		(1,384,775)	(422,231)	-	(1,807,006)
Revaluation gains and (losses)	7/8/9/10/22	8,709	11,284,298	25,622	11,318,629
IFRS 16 Implementation		5,966	-	-	5,966
Balance as at 31 March 2023		297,502	(13,205,714)	150,008	(12,758,204)

¹ The Pension revaluation loss value has been restated (reduction of £388,600) as a result of a prior period adjustment relating to an error in actuarial information.

The notes on pages 135 to 193 form part of these accounts.

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1. Statement of accounting policies

Introduction

Accounting policies for the Authority are as detailed below at 1.1 to 1.25.

The accounts are prepared in accordance with the Accounts Direction issued by the Scottish Government under provisions of the 2012 Act, and in a form directed by Scottish Ministers, in accordance with the Scottish Public Finance Manual (SPFM), the 2022-23 Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 31.

The Authority is expected to satisfy the conditions and requirements set out in the memorandum to accountable officers drawn up by the Scottish Government's Justice Portfolio, together with all the relevant requirements in the SPFM and such other conditions as Scottish Ministers may from time to time, impose.

The accounts are prepared on a historical cost basis, as modified by the revaluation of Property, Plant and Equipment, Investment Properties, Financial Assets and Financial Liabilities at their fair value, see note 1.2.

1.1 Going concern

The Authority is classified by the Scottish Government as an "Other Significant National Body", charged with the responsibility to provide policing services to the people of Scotland.

The accounts continue to be prepared on a going concern basis.

The accounts have been prepared incorporating the requirements of international accounting standards (IAS) and include an actuarial valuation of the various pension schemes' liabilities as explained in notes 22-24 to the accounts. These valuations reflect liabilities falling due in future years in respect of pension liabilities arising from the application of IAS19. The appointed actuaries have calculated the liability as at 31 March 2023.

Police Pension Scheme

The Government Actuary's Department (GAD) usually conducts a review every four years of the funding basis of the Police Pension Scheme, and in the intervening years, GAD rolls forward the scheme's liabilities in a desk top review. A roll-forward approach allows for:

- changes in financial assumptions;
- additional benefit accrual;
- actual cash flows over the year and estimated where necessary; and
- updated membership information.

The last formal valuation of the Police Pension Scheme was conducted on 31 March 2020. The other main assumptions are set out in the notes to the accounts.

The pension deficit will not be met from the Authority's sources of income, but will be met as it falls due by future monthly specific Grant payments from the sponsoring department, the Scottish Government's Justice Portfolio.

1.2 Fair value

IFRS 13 applies when fair value measurements are permitted. Fair value is the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date. The standard seeks to increase consistency and comparability in fair value measurements and related disclosures through a fair value hierarchy.

The hierarchy categorises the inputs used in valuation techniques into three levels:

- **Level 1 inputs** which are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2 inputs** are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in markets that are not active;
 - inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals.
- **Level 3 inputs** are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where an asset or liability is valued at fair value, the hierarchy level will be disclosed in the appropriate note.

1.3 Segmental reporting

The divisions used in the monthly budget management reporting were as follows:

SPA Corporate; Forensic Services; Reform;	Deputy Chief Constable (DCC) Local Policing; DCC Crime & Operational Support; DCC Professionalism, Digital & Transformation; and Deputy Chief Officer (DCO) Corporate Support, People & Strategy.
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The above segmental structure is reflective of budget management reporting used during 2022-23, notwithstanding portfolio restructures that took place late in 2022-23.

Assets are shared across the operating segments and segmental information on assets and liabilities is not reported internally. As a result, segmental disclosure of these is not necessary, and costs such as depreciation and amortisation have been allocated to DCO level.

The 26th UN Climate Change Conference of the Parties (COP26) is reported separately from the divisions outlined above.

1.4 Revenue recognition

Revenue is recognised net of recoverable VAT to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured. Recognition is in line with IFRS15 requirements where performance obligations are present and capable of assessment.

Grant in Aid

The Authority is funded by the Scottish Government. Grant in Aid is received throughout the year and is intended to meet the estimated expenditure. The Scottish Government does not allow funding to be available in advance of need, nor does it allow unused funding to be carried forward into future financial years. Grant in Aid is accounted for as financing on a cash basis, not as income and is therefore credited to the Authority's reserves and not incorporated within the organisation's Statement of Comprehensive Net Expenditure.

Revenue grants

All revenue grants are matched with the expenditure to which they relate. Specific grants are accounted for on an accruals basis where conditions for receipt have been met. Monies advanced as grants and contributions for which conditions have not been satisfied are recognised in the Statement of Financial Position as deferred income.

Capital grants

Capital grants are accounted for in accordance with IAS20 'Accounting for Government Grants & Disclosure of Government Assistance' and recognised in the Statement of Comprehensive Net Expenditure once conditions have been met. Where carry forward of capital grant is permitted and any conditions attached have not been met, the grant is treated as a capital grant receipt in advance.

Provision of services

Revenue from the provision of services is recognised when the Authority can reliably measure the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the organisation.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the terms of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

1.5 Property, plant and equipment (PPE)

Recognition

Property, plant and equipment are tangible items held for use by the Authority in the provision of services and are expected to be in use for more than one financial year.

All PPE assets will be accounted for as non-current assets provided that the future economic benefits or service potential associated with the item has been transferred to the Authority, unless they are deemed to be held-for-sale.

The policy on right of use assets is disclosed at note 1.10.

Capitalisation

Expenditure is capitalised when the asset is ready for use, provided that the PPE will yield a benefit to the Authority for a period of more than one year and is subject to the application of a de minimis level of £5,000 (exclusive of VAT). Expenditure on qualifying grouped assets (in line with the Authority's Capital Accounting Guidance) will also be capitalised.

IT development costs

IT projects such as significant capital upgrades and items in development will be included. Costs of such items will include not only purchase price of equipment and direct construction costs, but also

other costs directly attributable in bringing an asset to a condition ready to use. Such costs will include professional fees and salary costs where directly attributable to an asset.

Valuation – land & buildings (excepting those under policies 1.7 and 1.8)

Operational assets are carried in the Statement of Financial Position at current value in existing use, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. The land and building category is separated, within the asset register, between land, buildings and dwellings for disclosure purposes only.

Revaluation reserve

Assets included in the Statement of Financial Position at fair value are revalued regularly at a minimum of every five years by appropriately qualified Royal Institute of Chartered Surveyors (RICS) to ensure the carrying value is not materially different from the fair value. Specialised buildings will be subject to an annual review. Any subsequent increase in valuation is taken to a Revaluation Reserve except where, and to the extent that they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income.

Any decrease in the value of an asset will be set against any credit balance held in each asset's specific revaluation reserve until this credit is exhausted and thereafter to net operating cost as an impairment charge in the Statement of Comprehensive Net Expenditure.

Valuation – plant & equipment

Non-property assets are carried at valuation in existing use. Depreciated historical cost is used as a proxy for current value for the following classes of assets as they have short useful economic lives and/or low values: ICT systems, plant and machinery, fixtures and fittings and motor vehicles.

Valuation – surplus assets

An item of property, plant and equipment which is surplus with no plan to bring it back into use will be valued at fair value in accordance with IFRS 13 if it does not meet the requirements of IAS 40 or IFRS 5 as either an Investment Property or an Asset Held for Sale per 1.7 and 1.8 below.

Donated assets

Assets classified as donated are measured at fair value on receipt. The funding element is recognised as income and taken to the Statement of Comprehensive Net Expenditure. Any subsequent revaluations are taken to a Revaluation Reserve.

Loaned assets

Assets classified as loaned are measured at cost or valuation on receipt. These are recorded in the loaned asset register and do not feature on the Statement of Financial Position.

Componentisation of assets

In accordance with IAS16 a componentisation policy has been adopted where appropriate. The Authority has separated the valuation of land and buildings and implemented a policy of component accounting for material assets. These are considered to be assets with a carrying value of £1 million or higher, with components accounted for separately if their cost or value is in excess of 20% of the carrying value.

This is subject to review with material assets componentised upon acquisition, scheduled revaluation or significant enhancement expenditure.

Impairments

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where the carrying amount of an asset exceeds its recoverable amount due to a loss in the economic benefit or service potential of the asset, a charge to the net operating cost as an impairment is made to the Statement of Comprehensive Net Expenditure.

Where the carrying amount of an asset exceeds its recoverable amount due to a fall in market price, they are accounted for as follows:

- Any decreases in the value of an asset will be set against any credit balance held in each asset's specific revaluation reserve until this credit is exhausted and thereafter to net operating cost as an impairment charge in the Statement of Comprehensive Net Expenditure; and
- Where an impairment loss is reversed subsequently, the reversal is credited to the Statement of Comprehensive Net Expenditure, up to the amount of the original loss.

Disposals

When an asset is disposed of or decommissioned, any residual carrying amount is removed from the Statement of Financial Position with the difference between the carrying amount and the proceeds received charged to the Statement of Comprehensive Net Expenditure.

Capital receipts from the sale of non-current assets are recorded for each type of asset and subsequent utilisation of receipts is subject to approval by the Scottish Government.

1.6 Depreciation

Depreciation is provided on property, plant and equipment at rates calculated to write off the valuation, less estimated residual values, of each asset evenly over its expected useful life. Depreciation charges commence in the first full month following the addition to the relevant non-current asset category. Asset lives in general are as follows:

Asset	Years
Buildings & Dwellings	15 - 60
Plant, Machinery & Equipment	3 - 20
Vehicles	4 - 10
Fixtures & Fittings	5 - 10
IT Systems	3 - 10
Radio Masts	15 - 49
Leased Assets	Assessed Term of the lease

1.7 Investment properties

Investment properties are properties that are used solely for the purpose of generating income either by Licence/rental agreements, or capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of policing services.

The investment properties are mainly radio stations and masts, which are no longer required for operational radio communications, and are made available to telecommunication providers, generating income.

Measurement and depreciation

Investment properties are measured initially at cost and subsequently at fair value based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length.

The fair value of the Authority's investment properties is measured annually at each reporting date. All valuations are carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The gain or loss arising from a change in the fair value of investment property shall be recognised in the Statement of Comprehensive Net Expenditure for the period in which it arises. Investment properties held at fair value are not depreciated.

De-recognition

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. The gain or loss arising from the disposal is in the Statement of Comprehensive Net Expenditure.

1.8 Assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale.

The asset is immediately valued before reclassification and then carried at the lower of this amount and fair value less costs to sell. Any impairment is recognised per 1.5 above. There is no depreciation on assets held for sale. Any subsequent increases or decreases in fair value are then recognised up to the amount of any previously recognised losses within the Statement of Comprehensive Net Expenditure. Assets which are to be abandoned or scrapped are not classified as Assets Held for Sale.

1.9 Assets under construction

Assets classified as under construction are recognised in the Statement of Financial Position at cost on an accruals basis. The asset is not depreciated until fully commissioned and brought into full operational use, and is re-categorised within the classifications in 1.6 above.

1.10 Leases

From 1 April 2022, leases are now accounted for under IFRS 16 – Leases.

Assumptions

In line with Financial Reporting Manual (FRoM, HM Treasury (HMT)) guidance, the definition of a contract is expanded to include intra-UK government agreements. This includes, for example, Memorandum of Terms of Occupation (MOTO) agreements.

Arrangements with £nil, or nominal, consideration are also included. Peppercorn leases are examples of these, and they are defined by HMT as lease payments significantly below market value. These assets are assessed at fair value on initial recognition. Any differences between the lease liability and the right of use asset for new peppercorn leases after implementation of IFRS 16, are recorded as capital grant in kind income in the Statement of Comprehensive Net Expenditure (SOCNE).

Right of use assets and lease liabilities are not recognised for the following leases:

- intangible assets;
- non-lease components of contracts where applicable;
- low value assets (the underlying value of the assets leased is below the Authority's existing threshold for assets); and
- leases with a lease term of 12 months or less.

At inception of a contract, a contract is assessed to determine whether it is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Authority assesses whether:

- The contract involves the use of an identified asset;
- The Authority has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- The Authority has the right to direct the use of the asset.

The Authority assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. This will be reassessed if there are significant events or changes in circumstances that were not anticipated.

Authority as a lessee

Right of use assets

The Authority recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment assets.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT.

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, or if the Authority changes its estimates of any residual value guarantee, or its assessment of whether it will exercise a purchase, extension or termination option in the lease.

Lease payments included in the measurement of the lease liability comprise the following where applicable:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Authority is reasonably certain to exercise, lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Authority is reasonably certain not to terminate early.

When the lease liability is re-measured, a corresponding adjustment is made to the right of use asset or recorded in the SOCNE, if the carrying amount of the right of use asset is £nil.

The Authority presents right of use assets that do not meet the definition of investment properties (per IAS 40 Investment Properties) as right of use assets on the SoFP. The lease liabilities are included within current and non-current liabilities on the SoFP.

Authority as a lessor

When the Authority acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease.

To classify each lease, the Authority assesses whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease.

The Authority recognises lease payments under operating leases as income on a straight line basis over the length of the lease terms.

The accounting policies applicable to the Authority as lessor are largely unchanged by IFRS 16 except for reviews of intermediate lessor arrangements. The changes for IFRS 16 were not material for lessor arrangements.

1.11 Private Finance Initiative (PFI)

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes in accordance with IFRIC 12 Service Concession Arrangements, the assets used are carried under the contracts on its Statement of Financial Position as part of property, plant and equipment.

PFI assets are recognised on the Statement of Financial Position and revalued and depreciated in the same way as property, plant and equipment owned by the Authority. The amounts payable to the PFI operators each year are analysed into three elements:

- fair value of the services received during the year – debited to the relevant service in the Statement of Comprehensive Net Expenditure;
- finance cost – an interest charge on the outstanding Statement of Financial Position liability, debited to the PFI Interest line in the Statement of Comprehensive Net Expenditure; and

- payment towards liability – applied to write down the Statement of Financial Position liability to the PFI operator (the profile of write-downs is calculated using the same principles as for a Finance Lease).

1.12 Intangible assets

Intangible assets are separately identifiable and owned by the Authority, mainly in relation to software, licences and elements of IT systems. They are recognised where a future economic benefit or service potential can be identified as receivable.

Intangible assets are valued at depreciated replacement cost. Amortisation is applied at rates calculated to write off the cost by equal instalments over the shorter of the term of the licence (where appropriate) and their estimated useful life.

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS38 where assets do not generate income. IAS38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.'

The estimated useful life for intangible assets is 3 to 5 years.

1.13 Heritage assets

The Authority are the custodians of a large number of small value Heritage items, the majority of which reside at the Police College, Tulliallan. The items are recorded in the museum's archive register. The archive register records owned, loaned and donated assets. These assets are held at valuation, based on the curators' professional knowledge of the items within the current market place and any Heritage assets valued over £5,000 are identified within the register.

1.14 Financial instruments

Financial assets

Financial assets are recognised when the Authority becomes party to the contractual provisions of the financial instrument. Management determines the classification of its financial assets at initial recognition. Amortised cost assets are recognised initially at fair value and subsequently measured at amortised cost, on the basis that they are only held to collect contractual cash flows on specified dates that contain payments of principal and interest.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

Cash and Cash Equivalents:

Cash and cash equivalents are amounts held with the Government Banking Service and UK commercial bank current accounts, or cash in hand.

The Authority relies primarily on Grant in Aid from the Scottish Government's Justice Portfolio for its cash requirements and is therefore not exposed to liquidity risks. There is no difference between book value and fair value for the cash and cash equivalents shown in the Statement of Financial Position, and there are no balances held in foreign currencies within the cash and bank balance apart from within confiscation accounts held on behalf of third parties.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority provides services directly to a customer with no intention of trading the receivable, and are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Financial Liabilities

Financial liabilities are recognised when the Authority becomes party to the contractual provisions of the financial instrument and initially measured at fair value and carried at their amortised cost. Financial liabilities are removed from the SOFP when the contractual obligations are discharged, cancelled or expire.

Annual charges to interest payable to the SOCNE are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the SOFP is the outstanding principal repayable (plus accrued interest, if applicable) and interest charged to the SOCNE is the amount payable for the year according to the loan agreement.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are typically non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the Authority receives goods or services directly from a supplier with no intention of trading the liability.

Long Term Loans

The long-term loans recognised represent those from the Public Works Loans Board and the debt is managed by the local Councils' Consolidated Loans Funds. Full disclosure is provided within the notes to the accounts.

1.15 Inventories

Inventories are assets in the form of material or supplies which are consumed or distributed in the ordinary course of the service's operations. Operational consumables, vehicle parts, fuel and equipment are stated at lower of cost and net realisable value.

1.16 Cash and cash equivalents

The Authority operates as part of the Scottish Government banking contract with Government Banking Service (GBS). GBS is a shared banking service for government departments. Transactional services are provided by NatWest, with corporate banking arrangements held with The Royal Bank of Scotland.

Cash and cash equivalents include:

- cash in hand;
- deposits held at call with banks repayable without penalty on notice of not more than 24 hours; and

- investments maturing in three months or less of the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value. The Authority currently holds no such investments.

Warrant accounts represent cash received for fines which are repaid to the relevant organisations.

Confiscation bank accounts represent monies seized under the Proceeds of Crime Act (POCA). Monies are held on behalf of Crown Office and Procurator Fiscal Service (COPFS) until the outcome of the relevant court cases are known. Monies are then returned either to COPFS and/or to the individual from whom the monies were originally seized.

Balances on confiscation and warrant accounts are shown as a balance within cash and bank on the Statement of Financial Position, with a corresponding creditor shown within trade payables.

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

1.17 Provisions

Provisions are recognised when the Authority has a liability of uncertain timing or amount, and where: a present legal or constructive obligation is recognised as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

1.18 Contingent liabilities

A contingent liability arises if there is a possible obligation arising from a past event at the date of signature of the Statement of Financial Position, or the amount of an obligation cannot be reliably measured.

1.19 Pensions

Officers

From 1 April 2022, officers can only be active members of the Police Pension Scheme (Scotland) 2015. This means that pension contributions can now only be applied by the employer for this scheme going forward, for any individual officer.

The 2015 pension scheme is an unfunded defined benefit career average earnings scheme.

Before 1 April 2022, as well as officers who were already members of the 2015 pension scheme, some officers with earlier commencement dates were members of either of two earlier police pension schemes:

- 1987 Police Pension Scheme (PPS)
- 2006 New Police Pension Scheme (NPPS)

From 1 April 2022, this means that some officers will retire with benefits accruing from a combination of the 2015 pension scheme and one of the earlier schemes.

The 1987 and 2006 pension schemes are also unfunded defined benefit final salary schemes.

funding (from Scottish Government) has to be received to meet actual payments as they eventually fall due.

Staff

Staff can be members of local government pension schemes.

These are defined benefit occupational schemes based on career average earnings. The schemes are funded by employer and member contributions as well as investments. Assets and liabilities of the schemes are held separately from those of the Authority, and are held within the individual pension schemes. The scheme assets are measured using market values and the scheme liabilities are measured using a projected unit method and discounted at the current rate of return.

Contributions to the schemes are calculated so as to spread the cost of pensions over employees' working lives in the Authority. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the schemes in each of the intervening years. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals. The expected cost of providing staff pensions to employees contributing to the schemes is recognised in the Statement of Comprehensive Net Expenditure on a systematic basis over the expected average remaining lives of members of the funds in accordance with IAS19: Employee Benefits and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

The liabilities of the pension fund attributable to the Authority are included in the Statement of Financial Position on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projections of future earnings for current officers and employees.

The change in the net pension liability is analysed into the following components:

- **Current service cost**
This is the increase in liabilities as a result of service earned this year and is allocated to cost of services in the Statement of Comprehensive Net Expenditure.
- **Past service cost**
This is the increase in liabilities arising from current year decisions whose effect relates to service earned in earlier years. This is debited to the Surplus or Deficit on the Provision of Services in the Statement of Comprehensive Net Expenditure.
- **Interest cost**
This is the expected increase in the present value of liabilities during the year as they move one year closer to being paid.
- **Expected return on assets**
This is the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return.
- **Gains or losses on settlements and curtailments**
This is the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees and is debited or credited to the surplus or deficit on the provision of services in the Statement of Comprehensive Net Expenditure.

- **Actuarial gains and losses**
This represents changes in the net pension liability arising due to events after the last actuarial valuation.
- **Contributions paid to the pension fund**
Amounts paid as employer's contributions to the pension fund.
- **Actuarial assumptions**
The assumptions applied by the actuary have a significant impact on the liabilities and assets of the funds, these are summarised in the detailed notes.

1.20 Taxation

VAT

Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure or the cost of assets in the period in which it is incurred.

Corporation tax

The income from charging schemes is not chargeable to tax. However, HMRC state that profit generated from chargeable gains, or commercial contract work undertaken by the Authority, will be chargeable to corporation tax.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. It is measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax

Income tax comprises current tax and movements in deferred tax assets and liabilities.

Current tax and movements in deferred tax assets and liabilities are recognised in the Statement of Comprehensive Net Expenditure. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

1.21 Insurance

Expenditure included in the Statement of Comprehensive Net Expenditure relates to premiums paid, policy excesses and settlement of claims. In addition, a provision is made for the self-funded elements of property, liability and motor claims which remain unsettled at the year-end, in addition to other provisions.

1.22 Events after the reporting period

Events after the reporting period represent those events which occur between the end of the reporting year and the date when the Annual Report and Accounts is authorised for issue.

Adjusting events are those providing evidence of conditions existing at the end of the reporting year, whereas non-adjusting events are indicative of conditions arising after the reporting year (the latter being disclosed in the Financial Performance Report where material). Events which occur after the date of authorisation for issue are not reflected in these Accounts.

1.23 Accounting standards that have been issued but have not yet been adopted

IFRS17: Insurance Contracts – this standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS17 is to ensure that an entity provides relevant information that faithfully represents those contracts.

In line with HM Treasury guidance, implementation for Government bodies is expected to be from April 2025.

It is expected that any effect of the new standard will be primarily on central government, with no material effect expected for the Authority. Further guidance from HM Treasury will be considered in due course, to assess any potential implications.

1.24 Key sources of judgement and estimation uncertainty

Judgements and assessments of estimation uncertainty are made in line with the requirements as laid out in IAS 1 Presentation of Financial Statements.

Judgements and areas of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are explained at Note 31: Key Sources of judgement and estimation uncertainty.

1.25 Prior period adjustment

Valuation of the pension fund net liability

The financial statements include a prior period adjustment to 31 March 2022 for the police pension fund liability value.

The Government Actuary's Department (GAD, the reporting actuary for the police pension fund), identified a discrepancy between the pensionable payroll from valuation data and the payroll data included within the annual accounts as part of the 2021-22 resource accounts. Initially, the reasons for the discrepancy were not identified and an uplift of 5% to active members' liabilities was applied for 2021-22 to allow for the increase in liabilities. After investigation by both GAD and SPPA, it was identified that member data and salary information provided by the SPPA to GAD as part of the triennial valuation were incorrect. Using the updated membership data GAD have estimated that the impact on the police pension scheme liability is a reduction of £388.6m for 2021-22. Given the materiality of this figure a prior period adjustment has been accounted for within the financial statements. A summary of the changes is provided in the table below.

Financial Statement	Restated 2021-22 £'000	2021-22 £'000	Restatement movement £'000
Statement of Comprehensive Net Expenditure			
Other comprehensive expenditure			
IAS19 actuarial (gain)/loss	1,329,018	1,717,618	(388,600)
Total other comprehensive (Gain)/Loss	1,322,989	1,711,589	(388,600)
Total Comprehensive Net Expenditure	3,256,304	3,644,904	(388,600)
Statement of Financial Position			
Pension liabilities	(24,067,781)	(24,456,381)	388,600
Assets less liabilities	(23,660,061)	(24,048,661)	388,600
Pension Reserve	(24,067,781)	(24,456,381)	388,600
Total taxpayers' equity	(23,660,061)	(24,048,661)	388,600
Statement of Changes in Taxpayers' Equity			
Revaluation gains and (losses) – Pension	(1,329,018)	(1,717,618)	388,600
Balance as at 31 March 2022 – Pension	(24,067,781)	(24,456,381)	388,600
Revaluation gains and (losses) – Total	(1,314,908)	(1,703,508)	388,600
Balance as at 31 March 2022 – Total	(23,660,061)	(24,048,661)	388,600

2. Analysis of net expenditure by segment

2022-23	SPA Corporate	Forensic Services	Deputy Chief Officer	DCC Local Policing	DCC Crime & Operational Support	DCC Professionalism, Digital & Transformation	Reform	COP26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	3,791	34,009	71,091	749,852	227,084	72,283	13,897	234	1,172,241
¹ IAS 19 pension cost	-	-	46,011	-	-	-	-	-	46,011
²Total staff costs (2a)	3,791	34,009	117,102	749,852	227,084	72,283	13,897	234	1,218,252
Other expenditure	2,256	6,766	68,347	20,127	27,146	58,634	7,441	(37)	190,680
¹ Legal & premises provisions	(385)	-	7	-	-	(1,955)	-	-	(2,333)
Total other expenditure	1,871	6,766	68,354	20,127	27,146	56,679	7,441	(37)	188,347
¹Depreciation/ amortisation	-	-	59,720	-	-	-	-	-	59,720

Operating expenditure	5,662	40,775	245,176	769,979	254,230	128,962	21,338	197	1,466,319
Income from activities	(944)	(212)	(11,738)	(14,127)	(17,235)	(3,624)	(195)	(197)	(48,272)
Net expenditure before Interest	4,718	40,563	233,438	755,852	236,995	125,338	21,143	-	1,418,047
¹Impairment of assets	-	-	9,587	-	-	-	-	-	9,587
Interest payable	-	-	4,532	-	-	-	-	-	4,532
¹ IAS 19 pension interest	-	-	376,220	-	-	-	-	-	376,220
¹ Provision discounting movement	-	-	(1,380)	-	-	-	-	-	(1,380)
Total interest payable	-	-	379,372	-	-	-	-	-	379,372
Total expenditure	4,718	40,563	622,397	755,852	236,995	125,338	21,143	-	1,807,006

2021-22 restated³	SPA Corporate	Forensic Services	Deputy Chief Officer	DCC Local Policing	DCC Crime & Operational Support	DCC Professionalism, Digital & Transformation	Reform	COP26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	3,430	30,807	84,510	700,149	208,070	65,141	15,775	27,616	1,135,498
¹ IAS 19 pension cost	-	-	292,952	-	-	-	-	-	292,952
²Total staff costs (2a)	3,430	30,807	377,462	700,149	208,070	65,141	15,775	27,616	1,428,450
Other expenditure	1,606	4,943	63,385	18,245	28,607	52,127	7,138	25,651	201,702
¹ Legal & premises provisions	(391)	-	3,185	-	-	(4,804)	-	-	(2,010)
Total other expenditure	1,215	4,943	66,570	18,245	28,607	47,323	7,138	25,651	199,692
¹Depreciation/ amortisation	-	-	52,228	-	-	-	-	-	52,228
Operating expenditure	4,645	35,750	496,260	718,394	236,677	112,464	22,913	53,267	1,680,370
Income from activities	(923)	(113)	(8,927)	(11,378)	(13,182)	(3,790)	-	(4,277)	(42,590)
Net expenditure before Interest	3,722	35,637	487,333	707,016	223,495	108,674	22,913	48,990	1,637,780
¹Impairment of assets	-	-	8,346	-	-	-	-	-	8,346
Interest payable	-	-	4,691	-	-	-	-	-	4,691
¹ IAS 19 pension interest	-	-	282,498	-	-	-	-	-	282,498
Total interest payable	-	-	287,189	-	-	-	-	-	287,189

Total expenditure	3,722	35,637	782,868	707,016	223,495	108,674	22,913	48,990	1,933,315
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1. Denotes non-cash income and expenditure.
2. Details provided in the Total staff costs analysis in the Remuneration Report.
3. During 2022-23 Chief Officer portfolios were reviewed to ensure they were structured to effectively deliver our strategic aims and objectives, and altered as follows:
 - People & Development was disclosed under DCC Professionalism, Digital & Transformation, but this is now reallocated to Deputy Chief Officer.
 - Learning, Training and Development was disclosed under the Deputy Chief Officer portfolio, but this has now been reallocated to DCC Professionalism, Digital & Transformation.
 - As a result of this and other minor changes across Chief Officer portfolios, the segmental analysis for 2021-22 has been restated taking into account transfers between the portfolios. Total expenditure is not altered for 2021-22 as a result of this segmental restatement.

2a. Summary staff costs

Total staff costs can also be summarised in the following way:

	Board members £'000	Staff £'000	Officers £'000	Agency staff £'000	Total £'000
2022-23	363	341,868	873,171	2,850	1,218,252
2021-22	345	333,249	1,092,998	1,858	1,428,450

Staff costs are disclosed in more detail in the Staff Report within the Accountability Report.

3. **Income from activities**

	2022-23 £'000	2021-22 £'000
Fees and charges (<i>detailed below</i>)	25,499	19,449
Grant income received – external to GiA	19,057	20,164
Seconded police officers and staff	1,607	1,612
Insurance	129	144
Donations and sponsorship	48	8
Profit on disposal of assets	1,287	468
Interest received	5	-
Other income	640	745
	48,272	42,590

Fees and charges – further detail	2022-23 £'000	2021-22 £'000
Accident report fees	1,052	903
Aerials/masts income	4,382	4,498
Disclosure fees	1,817	1,732
NPCC income	607	623
International development income	72	47
Licences and certificates	1,193	1,398
Modern apprenticeship income	1,564	-
Rental income	2,320	2,098
Police officer services – Events and concerts	1,420	334
Police officer services – Football matches	2,118	1,866
Police officer services – Airports	3,878	1,596
Police officer services – Abnormal load escorts	1,567	1,569
Police officer services – non-football event	1,034	-
Police officer services – Other	129	351
Training/CPD income	363	870
Other	1,983	1,564
	25,499	19,449

As required by the fees and charges section of the SPFM, the Authority charges market rates wherever applicable. The provision of police goods and services are charged on a full cost recovery basis. Goods and services may be provided for such purposes as the Authority considers to be appropriate and consistent with the proper carrying out of police functions.

4. Other operating expenditure

	2022-23 £'000	2021-22 £'000
Animal costs	700	660
Catering costs	1,936	6,033
Clothing & uniform	2,695	3,896
Conference/meeting expenses	220	93
Equipment costs	44,123	47,795
External consultancy	4,394	3,830
Legal costs	9,359	3,877
National Crime Agency	5,212	5,212
Other fees & charges	3,330	3,543
Other non-pay costs	5,533	5,433
Premises costs	60,223	59,651
Printing, stationery & postage	2,017	2,030
Prison charges	1,184	1,806
Professional fees	540	529
Public relation costs	348	343
Public protection unit	314	338
Recruitment costs	346	276
Securing premises	218	120
Subscriptions	206	184
Supplies and services	4,442	5,916
Telecom and Airwave costs	12,839	14,812
Third party payments	5,709	4,614
Transport costs	22,419	27,365
Write off losses	40	1,336
	188,347	199,692

5. Corporation tax

The Authority is subject to corporation tax on any profits arising from trading activities, investment income, chargeable gains and property income.

Operational policing activities are not subject to corporation tax, as these activities do not constitute a trade for corporation tax purposes, and do not fall within the other categories of income.

Profits arising from the provision of goods and services under s86 and s87 Police and Fire Reform (Scotland) Act 2012 are taxed as trading profits. Any trading losses identified can be offset against total profits arising in the same period and carried forward for offset against future trading profits only.

Tax charges arising from chargeable gains arising on the disposal of property may also arise. This will depend on the scale and timing of any property disposals, year to year.

Any liability for corporation tax is categorised as Annually Managed Expenditure (AME). The Authority is currently finalising an agreed methodology to be used for calculation of any liability and is in dialogue with HMRC to ensure any revision is agreed by them.

6. Adjustments to cash flows for non-cash items

	Note	2022-23 £'000	2021-22 £'000
Depreciation of property, plant & equipment	7	44,925	45,933
Depreciation of right of use assets	8	7,696	-
Amortisation of intangible assets	10	7,099	6,295
Interest payable – PFI interest	19	1,540	1,709
Interest payable – leases	18	476	125
Discounting movement	21	(1,380)	-
Interest payable – loan and other interest	20	(297)	(387)
IAS19 pension adjustment to staff costs	22	46,011	292,952
IAS19 interest on pension scheme obligations	22	376,220	282,498
Asset impairment	7	9,587	8,346
(Profit) on sale of property, plant & equipment	3	(1,287)	(468)
Adjustments to non-cash costs		490,590	637,003

7. Property, plant & equipment (PPE)

During the year, revaluations were carried out on a number of properties across the police estate, by valuers qualified by the Royal Institute of Chartered Surveyors, both in-house and external. In-house valuers consisted of Police Scotland's Co-Location Disposal Leads. External valuers used were Graham & Sibbald, J & E Shepherd, DM Hall and the District Valuers. Valuations were conducted on operational buildings, on the basis of Existing Use Value, except in the circumstances of specialised properties, where Depreciated Replacement Cost Value was used. The non-operational properties were valued on the basis of Market Value with vacant possession.

All valuations were carried out as at 31 March 2023, except where related to Assets Held for Sale. These took place on the date the property was declared surplus and made available for sale.

Valuations during the year resulted in a net increase in the value of property, plant and equipment (PPE) and of £23.3million (2021-22: increase of £3.9m), an increase of £355k in Right of Use assets (ROU) (2021-22: nil) per note 8 and a net decrease of £25k in Assets Held for Sale (2021-22: decrease of £26k) per note 15.

The table below shows a summary of the impact of revaluations on the revaluation reserve and statement of comprehensive net expenditure:

	Note	2022-23			2021-22		
		up £'000	down £'000	net £'000	up £'000	down £'000	net £'000
Property, Plant & Equipment	7	62,194	(38,881)	23,313	18,759	(14,853)	3,906
Right of Use Assets	8	63	292	355	-	-	-
Assets Held for Sale	15		(25)	(25)	-	(26)	(26)
Total		62,257	(38,614)	23,643	18,759	(14,879)	3,880

Revaluation reserve increase	55,936	-	55,936	18,759	-	18,759
Revaluation reserve utilised	-	(22,706)	(22,706)	-	(5,640)	(5,640)
Reversal of previous impairments ¹	6,321		6,321	-	(893)	(893)
Total revaluations gain	62,257	(22,706)	39,551	18,759	(6,533)	12,226
AME funded impairments/ downward revaluations ¹	-	(15,908)	(15,908)	-	(8,346)	(8,346)
Total revaluations loss	-	(15,908)	(15,908)	-	(8,346)	(8,346)
Total	62,257	(38,614)	23,643	18,759	(14,879)	3,880

- The loss on impairment of assets as reported elsewhere in the SOCNE (£9,587k) is the sum of the downward impairments value of (£15,908k) offset by the reversal of previous impairments £6,321k, as noted in the table above.

A number of properties with downward revaluations had revaluation reserves, resulting in £22.7m (2021-22: £5.6m) being charged against the revaluation reserve. There were 48 (2021-22: 15) properties where there was a reversal of the previous impairment charge which amounted to £6.3m (2021-22: £893k).

The overall remainder of the impact of the revaluation process resulted in a net charge of £9.6m (2021-22: £8.3m) to the Annually Managed Expenditure budget (AME).

No properties (2021-22: nil) triggered impairment reviews, due to their presenting condition. Whilst acknowledging that a proportion of the property estate has been assessed as "poor" from recent condition surveys, these assessments do not constitute an impairment from an accounting perspective, which would require a material level of obsolescence or damage to the property. There was therefore no impairment amount (2021-22: nil) charged to the non-cash Departmental Expenditure Limit (DEL).

The net book value of disposals was £1.4 million (2021-22: £2.7m) which together with the profit on disposal of assets of £1.3 million (2021-22: £0.5m profit) per note 3 results in total cash proceeds on disposal of property, plant and equipment of £2.7 million (2021-22: £3.2m).

Details of the Leases and PFI contracts, related to assets, as at 31 March 2023 are held at notes 18 and 19 respectively.

There are no properties marked as vacant/surplus (2021-22: one) within land and buildings as at 31 March 2023. All other vacant properties are being actively marketed for sale.

7. Property, plant & equipment – analysis

2022-23	*Land & Buildings £'000	Dwellings £'000	IT £'000	Plant & Machinery £'000	Furniture & Fittings £'000	**Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
Cost or valuation:								
As at 1 April 2022	447,461	7,140	113,920	50,058	6,628	89,968	24,785	739,960
Transferred to right of use assets on 1 April 2022	(16,861)	-	-	-	-	-	-	(16,861)
Additions	5,915	792	12,787	5,111	436	9,873	17,394	52,308
Disposals	(6)	-	(11,502)	(2,003)	-	(17,292)	-	(30,803)
Revaluation	(9,837)	606	-	-	-	-	-	(9,231)
Impairment	-	-	-	-	-	-	(9)	(9)
Reclassification	9,628	(243)	694	1,569	-	2,502	(15,410)	(1,260)
As at 31 March 2023	436,300	8,295	115,899	54,735	7,064	85,051	26,760	734,104
Depreciation:								
As at 1 April 2022	51,564	401	82,409	27,717	4,483	52,914	-	219,488
Transferred to right of use assets on 1 April 2022	(9,910)	-	-	-	-	-	-	(9,910)
Charged in year	17,684	276	10,674	4,371	474	11,446	-	44,925
Depreciation on disposals	(6)	-	(11,502)	(2,003)	-	(16,860)	-	(30,371)
Depreciation on revaluation	(32,219)	(334)	-	-	-	-	-	(32,553)
Depreciation on impairment	-	-	-	-	-	-	-	-
Depreciation on reclassification	-	-	-	-	-	-	-	-
As at 31 March 2023	27,113	343	81,581	30,085	4,957	47,500	-	191,579
NBV as at 31 March 2023	409,187	7,952	34,318	24,650	2,107	37,551	26,760	542,525

Summary of revaluations and impairments

2022-23	*Land & Buildings £'000	Dwellings £'000	IT £'000	Plant & Machinery £'000	Furniture & Fittings £'000	**Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
Revaluations:								
Revaluation on cost	(9,837)	606	-	-	-	-	-	(9,231)
Revaluation on depreciation	32,219	334	-	-	-	-	-	32,553
Total revaluation	22,382	940	-	-	-	-	-	23,322
Depreciation:								
Impairment on cost	-	-	-	-	-	-	(9)	(9)
Impairment on depreciation	-	-	-	-	-	-	-	-
Total impairment	-	-	-	-	-	-	(9)	(9)
Net impact on NBV as at 31 March 2023	22,382	940	-	-	-	-	(9)	23,313

*Land and buildings include one building financed by PFI with a current NBV £10.7 million (2021-22: £11.2m).

**Safety Camera Partnership vans, funded by Transport Scotland, currently have a NBV of £203k (2021-22: £333k). Loaned assets do not form part of the note above, and have a value of £0.2k (2021-22: £4k).

Summary of Reclassification 2022-23

2022-23 Reporting Category	Note in Financial Statements	Transfers into Category £'000	Transfers out of Category £'000	Total £'000
Cost				
Assets Held for Sale	15	788	-	788
Assets Under Construction	7	-	(15,410)	(15,410)
Buildings	7	10,173	(361)	9,812
Intangibles	10	472	-	472
Investment properties	9	-	-	-
IT Hardware	7	694	-	694
Land	7	-	(184)	(184)
Motor Vehicles	7	2,502	-	2,502
Plant & Machinery	7	1,569	-	1,569
Dwellings	7	-	(243)	(243)
Cost Total		16,198	(16,198)	-
Depreciation		-	-	-
Depreciation Total		-	-	-
Net impact on NBV as at 31 March 2023		16,198	(16,198)	-

Property, plant & equipment – analysis

2021-22	*Land & Buildings £'000	Dwellings £'000	IT £'000	Plant & Machinery £'000	Furniture & Fittings £'000	**Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
Cost or valuation:								
As at 1 April 2021	451,261	6,800	125,029	41,861	5,588	80,824	20,660	732,023
Additions	12,088	21	8,620	8,901	1,040	12,489	14,615	57,774
Disposals	(7,023)	-	(21,322)	(1,282)	-	(8,110)	(191)	(37,928)
Revaluation	(8,857)	451	-	-	-	-	-	(8,406)
Impairment	-	-	-	-	-	-	-	-
Reclassification	(8)	(132)	1,593	578	-	4,765	(10,299)	(3,503)
As at 31 March 2022	447,461	7,140	113,920	50,058	6,628	89,968	24,785	739,960
Depreciation:								
As at 1 April 2021	51,453	754	89,589	25,997	4,088	51,419	-	223,300
Charged in year	18,688	244	14,142	2,989	395	9,475	-	45,933
Depreciation on disposals	(6,856)	-	(21,322)	(1,275)	-	(7,980)	-	(37,433)
Depreciation on revaluation	(11,715)	(597)	-	-	-	-	-	(12,312)
Depreciation on impairment	-	-	-	-	-	-	-	-
Depreciation on reclassification	(6)	-	-	6	-	-	-	-
As at 31 March 2022	51,564	401	82,409	27,717	4,483	52,914	-	219,488
NBV as at 31 March 2022	395,897	6,739	31,511	22,341	2,145	37,054	24,785	520,472

Summary of revaluations and impairments

2021-22	*Land & Buildings £'000	Dwellings £'000	IT £'000	Plant & Machinery £'000	Furniture & Fittings £'000	**Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
Revaluations:								
Revaluation on cost	(8,857)	451	-	-	-	-	-	(8,406)
Revaluation on depreciation	11,715	597	-	-	-	-	-	12,312
Total revaluation	2,858	1,048	-	-	-	-	-	3,906
Depreciation:								
Impairment on cost	-	-	-	-	-	-	-	-
Impairment on depreciation	-	-	-	-	-	-	-	-
Total impairment	-	-	-	-	-	-	-	-
Net impact on NBV as at 31 March 2022	2,858	1,048	-	-	-	-	-	3,906

*Land and buildings include one building financed by PFI with a current NBV £11.2 million (2020-21: £11.7m), five buildings utilised via finance leases with a current NBV £1.7 million (2020-21: six buildings, £1.5m) and capitalised dilapidation provisions with a current NBV £5.2 million (2020-21: £4.3 million).

**Safety Camera Partnership vans, funded by Transport Scotland, currently have a NBV of £333k (2020-21: £219k). Loaned assets do not form part of the note above, and have a value of £4k (2020-21: £16k).

Summary of Reclassifications 2021-22

2021-22 Reporting Category	Note in Financial Statements	Transfers into Category £'000	Transfers out of Category £'000	Total £'000
Cost				
Assets Held for Sale	15	2,365	-	2,365
Assets Under Construction	7	52	(10,351)	(10,299)
Buildings	7	2,209	(1,645)	564
Intangibles	10	1,378	-	1,378
Investment properties	9	-	(240)	(240)
IT Hardware	7	1,593	-	1,593
Land	7	35	(607)	(572)
Motor Vehicles	7	4,817	(52)	4,765
Plant & Machinery	7	578	-	578
Dwellings	7	-	(132)	(132)
Cost Total		13,027	(13,027)	-
Depreciation		(6)	6	-
Depreciation Total		(6)	6	-
Net impact on NBV as at 31 March 2022		13,021	(13,021)	-

8. Right of use assets

2022-23	Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Total £'000
Cost or valuation:					
As at 1 April 2022	-	-	-	-	-
Transferred from property, plant & equipment on 1 April 2022	16,824	36	-	-	16,860
IFRS 16 cumulative catch up	47,923	183	3,212	323	51,641
Additions	4,833	359	347	-	5,539
Disposals	(23)	-	-	-	(23)
Revaluation	(777)	5	-	-	(772)
Impairment	-	-	-	-	-
Reclassification	-	-	-	-	-
As at 31 March 2023	68,780	583	3,559	323	73,245
Depreciation:					
As at 1 April 2022	-	-	-	-	-
Transferred from property, plant & equipment on 1 April 2022	9,867	43	-	-	9,910
Charged in year	5,203	131	2,147	215	7,696
Depreciation on disposals	(46)	-	-	-	(46)
Depreciation on revaluation	(1,090)	(38)	-	-	(1,128)
Depreciation on impairment	-	-	-	-	-
Depreciation on reclassification	-	-	-	-	-
As at 31 March 2023	13,934	136	2,147	215	16,432
NBV as at 31 March 2023	54,846	447	1,412	108	56,813

This is a new note for 2022-23 as this is the first year of adoption of the accounting standard IFRS 16 Leases.

See Note 1 Accounting policies for more information on the adoption of this standard.

See note 7 – Property, Plant & Equipment for the valuation methods undertaken. Right of use assets have been valued at current value in existing use due to the non-specialised nature of these assets.

9. Investment properties

Investment properties are located across Scotland and so the valuation exercise requires a number of surveyors. All of those involved are qualified with the Royal Institute of Chartered Surveyors. The surveyors are instructed to carry out the valuations on a market value basis, as at 31 March 2023. As stated in the Statement of Accounting Policies, valuations of the fair values of investment properties were based on the market value approach, using prices and other information generated by market transactions involving identical or comparable assets.

Fair Value Hierarchy Level 2 inputs as stated in 1.2 have been disclosed where the current valuation is market value using market-based evidence of fair value. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

There were no transfers between hierarchy levels for investment properties which remained within the category during the year.

	2022-23 £'000	2021-22 £'000
Valuation:		
As at 1 April	13,579	13,969
IFRS 16 cumulative catch up	-	-
Disposal	-	-
Gain/(Loss) from fair value adjustment	446	(150)
Reclassification		(240)
Net Book Value as at 31 March	14,025	13,579

	2022-23 £'000	2021-22 £'000
Valuation Details:		
Upward Revaluation	1,209	797
Downward Revaluation	(763)	(947)
Net gain/(loss) on revaluation of Investment Properties	446	(150)

10. Intangible assets

Intangible non-current assets represent purchased software, licences and other assets developed in-house with a life of more than one year. As stated in the Statement of Accounting Policies, the valuation technique applied in respect of the fair value of intangible assets was on depreciated replacement cost basis. Amortisation is applied at rates calculated to write off the cost by equal instalments over the shorter of the term of the licence (where appropriate) and their estimated useful life.

There were no transfers between hierarchy levels for intangible assets during the year, and there were no revaluation movements.

	Software £'000	Licences £'000	Other £'000	2022-23 Total £'000	2021-22 Total £'000
Cost:					
As at 1 April	25,427	19,023	351	44,801	42,127
Disposals	(509)	-	-	(509)	(4,344)
Additions	3,321	233	-	3,554	5,640
Reclassification	177	295	0	472	1,378
Cost as at 31 March	28,416	19,551	351	48,318	44,801
Amortisation:					
As at 1 April	17,978	5,254	351	23,583	21,632
Charged in year	3,422	3,677	-	7,099	6,295
Disposals	(509)	-	-	(509)	(4,344)
Reclassification	-	-	-	-	-
Amortisation as at 31 March	20,891	8,931	351	30,173	23,583
Net book value as at 31 March	7,525	10,620	-	18,145	21,218

11. Heritage assets

The Authority are the custodians of a large number of small heritage items, valued below £5,000 each, and are recorded in a separate heritage asset register as none reach the required level for capitalisation within the accounts.

12. Cash and cash equivalents

	2022-23 £'000	2021-22 £'000
Balance as at 1 April	46,880	11,263
Net change in cash and cash equivalent balance	(20,734)	35,617
Balance as at 31 March	26,146	46,880

The balances held as at 31 March were held as follows:	2022-23 £'000	2021-22 £'000
Balance within the Government Banking Service	23,269	44,158
Cash at commercial banks and cash in hand	1,581	1,279
Total cash	24,850	45,437
Cash held within confiscation accounts*	1,296	1,443
Balance as at 31 March	26,146	46,880

* This balance is held on behalf of third parties, with a corresponding creditor balance in Other Payables (note 16).

13. Inventories

Inventories include equipment, uniforms, other operational consumables, fuel and vehicle parts, and are included in the Statement of Financial Position at the lower of cost and net realisable value.

	2022-23 £'000	2021-22 £'000
Balance as at 1 April	4,833	6,368
(Decrease)/increase in inventories and stock during year*	33	(1,535)
Balance as at 31 March	4,866	4,833

*Movement in inventories and stock balance is shown net of an obsolete stock write off of £(27)k (2021-22: £(1.3)m).

14. Trade and other receivables

(a) Analysis by type of receivable is as follows:	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:		
Trade receivables*	5,678	6,318
Other receivables	556	154
Prepayments and accrued income	26,794	23,773
VAT	13,785	12,995
Total amounts falling due within one year	46,813	43,240

(b) Analysis by category of customer is as follows:	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:		
Balances with other central government bodies	17,222	16,407
Balances with local authorities	3,350	3,516
Balances with NHS bodies	100	140
Intra-governmental balances	20,672	20,063
Balances with bodies external to government	26,141	23,177
Total amounts falling due within one year	46,813	43,240

*Trade receivables of £5.7 million (2021-22: £6.3m) are shown net of a provision for bad debts of £17k (2021-22: £17k).

15. Assets held for sale

	2022-23 £'000	2021-22 £'000
Balance brought forward as at 1 April	2,758	2,661
Reclassifications from property, plant and equipment	788	2,365
Revalued during the year	(25)	(26)
Assets sold	(974)	(2,242)
Balance as at 31 March	2,547	2,758

	2022-23 £'000	2021-22 £'000
Valuation details:		
Downward revaluation	(25)	(26)
Net gain/(loss) on revaluation of Assets Held for Sale	(25)	(26)

Fair Value Hierarchy Level 2 inputs as stated in note 1.2 have been disclosed where the current valuation is market value using market-based evidence of fair value. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

16. Trade and other payables

(a) Analysis by type of payable is as follows:	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:		
Other taxation and social security	25,966	25,071
Trade payables	11,203	16,668
Other payables*	1,775	1,896
Pension creditor (<i>note 17</i>)	13,931	11,948
Accruals and deferred income	76,182	88,002
Sub-total amounts falling due within one year	129,057	143,585
Current component of leases liabilities	4,777	667
Current component of PFI agreements	1,666	1,474
Current component of long-term loans	4,137	5,433
Total amounts falling due within one year	139,637	151,159

	2022-23 £'000	2021-22 £'000
Amounts falling due after more than one year:		
Leases	41,806	1,658
PFI agreements	9,464	11,130
Long-term loans	58,367	62,504
Total amounts falling due after more than one year	109,637	75,292

* £1.3 million (2021-22: £1.4m) of the balance within other payables represents confiscation and warrant accounts. This is held on behalf of third parties, and has a corresponding entry within note 12.

(b) Analysis by category of supplier is as follows:	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:		
Balances with other central government bodies	57,912	59,755
Balances with local authorities	10,374	10,480
Balances with NHS bodies	571	90
Intra-governmental balances	68,857	70,325
Balances with bodies external to government	70,780	80,834
Total amounts falling due within one year	139,637	151,159

	2022-23 £'000	2021-22 £'000
Amounts falling due after more than one year:		
Balances with other central government bodies	28,078	1,168
Balances with local authorities	63,577	61,402
Balances with NHS bodies	135	-
Intra-governmental balances	91,790	62,570
Balances with bodies external to government	17,847	12,722
Total amounts falling due after more than one year	109,637	75,292

17. Pension account

The Scottish Government requires the Authority to maintain a Police Pension Account in respect of its police pension schemes. During the transfer of legacy pension arrangements, the Scottish Government has effected guidance to the Authority to follow the requirements specified in the previously required Police Pension Account (Scotland) Regulations 2010 and the 2013 update to the 2010 Guidance.

The regulations specify that a Police Pension Account must be maintained to record: the payments made; and income received, in respect of police pensions. The funding for police pension payments is made through a Police Specific Grant paid by Scottish Government to the Authority. This funding includes the cost of employer contributions.

	2022-23 £'000	2021-22 £'000
Receivable:		
Employer contributions ¹	(194,653)	(194,090)
Officers' contributions	(88,520)	(88,408)
Other receivables	(6,573)	(2,468)
Transfer values received	(1,546)	(1,318)
Total receivable	(291,292)	(286,284)
Payable:		
Pensions	405,735	376,171
Refund & transfer values paid	3,972	2,648
Lump sum payments	183,494	113,132
Total payable	593,201	491,951
Deficit before funding	301,909	205,667
Funding received from the Scottish Government:		
Brought forward (surplus)/deficit	(11,948)	(11,780)
Police pension grant ¹	(303,892)	(205,835)
Carried forward (surplus)/deficit funding received	(13,931)	(11,948)

1. In year (2022-23) Police Specific overall (Annex D) Grant comprises (£'000):

- Deficit element - Police Pension Grant £303,892
- Employer Contribution funding £194,653
- **Total** **£498,545**

A further element relating to officer secondment (£206k), when applied, reconciles to the actual Pension Grant amount received from Scottish Government (£498,339k), as indicated at Note 25: Scottish Government funding.

18. Leases - Liabilities

Obligations under lease agreements falling under IFRS 16 are given in the table below for the following future period intervals:

	2022-23
Property based agreements	£'000
Not later than one year	3,901
Between two and five years	13,310
Later than five years	32,403
Future minimum lease payments	49,614
Less: interest element	(3,947)
Present value of obligations¹	45,667

	2022-23
Equipment agreements	£'000
Not later than one year	1,301
Future minimum lease payments	1,301
Less: interest element	(4)
Present value of obligations¹	1,297

¹ A difference of £381k between the SOFP value of total lease liabilities (£46,583k) compared to the total present value of obligations as presented above (£46,964), is due to future lease assessments being applied to the lease obligations above.

The Authority has applied IFRS 16 using the retrospective approach and therefore, comparative information has not been restated. Residual short term operating leases are expensed to revenue (Right of Use asset details assessed for IFRS 16 relevant leases are covered at Note 8 to the Financial Statements).

Leases are discounted using the rate implicit in the lease. Where that rate cannot be readily determined, leases are discounted using HM Treasury discount rate values as the average incremental borrowing rate. These rates are as notified in the Public Expenditure System (PES) papers. They are 0.95% for the period to 31 December 2022, and 3.51% for leases commencing 1 January 2023 onwards.

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2022-23
	£'000
Depreciation	6,279
Interest expense	476
Short term leases	17
Total	6,772

Reconciliation of closing (2021-22) Operating Lease payment commitments to opening (2022-23) Lease (IFRS 16) Liability

In line with requirements of IFRS 16, the following table summarises the progression to the opening 2022-23 Lease Liability balance:

	£'000
2021-22 Total Future Operating Lease Payments (as at 31 March 2022) ¹	14,988
Introduction of Governmental occupancy agreements	30,799
Transfer (agreements previously reported as Finance Leases)	2,324
Other (Lease term reassessment / application of discounting)	(2,031)
Opening Lease (IFRS 16) Liability	46,080

1. Note 5, 2021-22 Scottish Police Authority Annual Report and Accounts

Scottish Police Authority as Lessor

The SPA receives income from a small number of properties under lease agreements with third parties. A summary of the position is provided below:

	2022-23 £'000	2021-22 £'000
Lease payments received	384	368
	384	368

Future lease payments due to be received

	2022-23 £'000	2021-22 £'000
Not later than one year	373	336
Between two and five years	584	587
Later than five years	1,460	1,606
	2,417	2,529

19. Commitments under PFI arrangement

This note brings together various disclosure requirements relating to PFI/PPP contracts and similar schemes. A 25-year PFI contract with Strathclyde Limited was established in 2002 for the construction, maintenance and operation of the Training & Recruitment Centre at Jackton. In accordance with the HM Treasury application of IFRIC 12 principles, the PFI/PPP property is an asset of the Authority and the liability to pay for the property is, in substance, a finance lease obligation. There are no additional rights and obligations in relation to the property. The estimated future payments in respect of the PFI contract are as follows:

	2022-23				2021-22
	Capital Repayment £'000	Interest £'000	Service Charge £'000	Total £'000	Total £'000
Not later than one year	1,666	1,349	1,841	4,856	4,801
Between two and five years	9,464	2,365	4,925	16,754	21,610
Later than five years	-	-	-	-	-
Subtotal > 1 year	9,464	2,365	4,925	16,754	21,610
As at 31 March	11,130	3,714	6,766	21,610	26,411

The asset is recognised on the Statement of Financial Position and included within the land and buildings as follows:

	2022-23 £'000	2021-22 £'000
Cost brought forward as at 1 April	17,350	17,350
Aggregate depreciation brought forward as at 1 April	(6,160)	(5,639)
Depreciation during year	(521)	(521)
Net book value as at 31 March	10,699	11,190
Revaluation reserve as at 31 March	190	214

20. Long-term loans

	2022-23				2021-22
	Capital repayment £'000	Interest £'000	Service charge £'000	Total £'000	Total £'000
Within 12 months	4,137	2,605	21	6,763	8,224
2 - 5 years	13,655	8,858	68	22,581	24,035
6 - 15 years	30,616	12,919	116	43,651	45,512
16 - 25 years	8,009	4,143	66	12,218	15,046
26 - 35 years	5,121	2,068	32	7,221	7,325
36 - 45 years	966	61	1	1,028	1,544
Subtotal > 1 year	58,367	28,049	283	86,699	93,462
As at 31 March 2023	62,504	30,654	304	93,462	101,686
As at 31 March 2022	67,937	33,421	328	101,686	

The loans which were transferred as at 1 April 2013 represent loans from the Public Works Loans Board and the debt is managed by the local Councils' Consolidated Loans Funds.

21. Provisions

	Legal provision £'000	Other provisions £'000	2022-23 Total £'000	2021-22 Total £'000
Opening balance as at 1 April	9,778	9,031	18,809	20,819
Provided in the year	3,622	778	4,400	7,000
Provisions not required written back	(3,911)	-	(3,911)	(6,630)
Provisions utilised in year	(2,051)	-	(2,051)	(2,973)
Change in discount rate	-	(771)	(771)	445
Unwinding of discount rate	-	(1,380)	(1,380)	148
As at 31 March	7,438	7,658	15,096	18,809

Legal provisions all relate to specific claims, and due to their complexity, such claims are generally resolved on a timescale in the region of one to five years. They comprise Authority provisions of £0.09 million (2021-22: £0.48m) and a provision of £7.30 million (2021-22: £9.30m) for Employers' Liability, Public Liability and Third Party Motor Liability within Police Scotland.

Other provisions relate to potential obligations under repairing leases. For these provisions, a discount factor (in this case, using Public Expenditure System (PES) rates) is applied to liability estimates, along with an adjustment for estimated inflation. Lease related dilapidations have variable time periods, in line with the length of the underlying lease agreement.

22. IAS19 Pension liability

Summary reconciliation of all schemes, including: Police schemes (PPS, NPPS, 2015, Injury); and Local Government Pension Schemes

(a) Reconciliation of pension liability

	Ref	2022-23 Income and Expenditure analysis			2022-23 Statement of Financial Position	2021-22 ¹ Statement of Financial Position
		Actuarial Gain/ (Loss)	Interest on pension scheme obligations	Staff costs	Total	Total
		£'000	£'000	£'000	£'000	£'000
Opening position as at 1 April	A				(24,067,781)	(22,163,313)
Actuarial gain/(loss) in year	B	11,284,298	-	-	11,284,298	(1,329,018)
Interest on obligation	C	-	(430,524)	-	(430,524)	(319,261)
Expected return on assets	D	-	54,304	-	54,304	36,763
Total service costs	E	-	-	(702,773)	(702,773)	(840,038)
Other movements	F	-	-	656,762	656,762	547,086
As at 31 March 2023		11,284,298	(376,220)	(46,011)	(13,205,714)	(24,067,781)
As at 31 March 2022¹		(1,329,018)	(282,498)	(292,952)		

¹ Pension Liability values for 2021-22 have been restated by equal and opposite amount of £388,600k as a result of a prior period adjustment relating to an error in actuarial information.

The full non-cash adjustment for IAS19 disclosed within the Summary of Resource Outturn for the year ended 31 March 2023 is made of the following:

	2022-23			2021-22		
	Police Officers £'000	Staff £'000	Total £'000	Police Officers £'000	Staff £'000	Total £'000
Interest on obligations	369,700	6,520	376,220	273,000	9,498	282,498
Staff costs	(8,700)	54,711	46,011	225,200	67,752	292,952
As at 31 March	361,000	61,231	422,231	498,200	77,250	575,450

(b) Change in the fair value of plan assets, defined benefit obligations and net liability

Below shows the change in the fair value of plan assets, defined benefit obligation and net liability for all pension schemes combined

	Ref	2022-23			2021-22		
		PPS, NPPS, 2015 & Injury (note 23) £'000	LGPS (note 24) £'000	Total net (liability)/ asset £'000	PPS, NPPS, 2015 & Injury (note 23) £'000	LGPS (note 24) £'000	Total net (liability)/ asset £'000
Fair value of employer assets		-	1,999,727	1,999,727	-	1,826,545	1,826,545
Present value of unfunded liabilities		(23,306,300)	(41,258)	(23,347,558)	(21,231,600)	(44,311)	(21,275,911)
Present value of funded liabilities		-	(2,171,450)	(2,171,450)	-	(2,222,047)	(2,222,047)
Present value of injury liabilities		(548,500)	-	(548,500)	(491,900)	-	(491,900)
Opening position as at 1 April	A	(23,854,800)	(212,981)	(24,067,781)	(21,723,500)	(439,813)	(22,163,313)
Current service cost		(601,500)	(100,167)	(701,667)	(727,700)	(111,929)	(839,629)
Past service cost (incl curtailments)		-	(1,106)	(1,106)	-	(409)	(409)
Total service cost	E	(601,500)	(101,273)	(702,773)	(727,700)	(112,338)	(840,038)
Interest income on plan assets	D	-	54,304	54,304	-	36,763	36,763
Interest cost on defined benefit obligation	C	(369,700)	(60,824)	(430,524)	(273,000)	(46,261)	(319,261)
Total net interest		(369,700)	(6,520)	(376,220)	(273,000)	(9,498)	(282,498)
Total defined benefit cost		(971,200)	(107,793)	(1,078,993)	(1,000,700)	(121,836)	(1,122,536)

	Ref	2022-23			2021-22		
		PPS, NPPS, 2015 & Injury (note 23) £'000	LGPS (note 24) £'000	Total net (liability)/ asset £'000	PPS, NPPS, 2015 & Injury (note 23) £'000	LGPS (note 24) £'000	Total net (liability)/ asset £'000
Employer contributions		-	44,695	44,695	-	42,961	42,961
Net transfers in from other authorities		(1,600)	-	(1,600)	(1,700)	-	(1,700)
Net transfers out to other authorities and other payments to and on account of leavers		4,400	-	4,400	2,900	-	2,900
Contributions in respect of unfunded benefits		-	1,867	1,867	-	1,625	1,625
Pensions and lump sum expenditure		593,900	-	593,900	488,400	-	488,400
Injury award expenditure		13,500	-	13,500	12,900	-	12,900
Benefits paid		-	-	-	-	-	-
Unfunded benefits paid		-	-	-	-	-	-
Other movements	F	610,200	46,562	656,762	502,500	44,586	547,086
Expected closing position		(24,215,800)	(274,212)	(24,490,012)	(22,221,700)	(517,063)	(22,738,763)
Change in demographic assumptions		806,900	18,100	825,000	-	12,930	12,930
Change in financial assumptions		11,298,300	831,293	12,129,593	(1,704,300)	181,030	(1,523,270)
Other experience		(1,142,200)	(64,378)	(1,206,578)	71,200	(2,997)	68,203
Asset ceiling adjustment		-	(373,186)	(373,186)	-	-	-
Return on assets excluding net interest		-	(90,531)	(90,531)	-	113,119	113,119
Total re-measurements	B	10,963,000	321,298	11,284,298	(1,633,100)	304,082	(1,329,018)
Fair value of employer assets		-	1,986,730	1,986,730	-	1,999,727	1,999,727
Asset ceiling adjustment		-	(373,186)	(373,186)	-	-	-
Present value of unfunded liabilities		(12,910,800)	(33,449)	(12,944,249)	(23,306,300)	(41,258)	(23,347,558)
Present value of funded liabilities		-	(1,533,009)	(1,533,009)	-	(2,171,450)	(2,171,450)
Present value of injury liabilities		(342,000)	-	(342,000)	(548,500)	-	(548,500)
Closing position as at 31 March		(13,252,800)	47,086	(13,205,714)	(23,854,800)	(212,981)	(24,067,781)

23. Police Pension Schemes:

PPS (1987); NPPS (2006); 2015 Scheme

(a) Financial and demographic assumptions in the valuation

The valuation below, carried out by the Government Actuary's Department (GAD), has been based on membership data for the actuarial valuation of the schemes at 31 March 2020, as provided by the Scottish Public Pensions Agency (SPPA). The pension liability has been updated from that shown in the 2021-22 Accounts, as the 31 March 2020 valuation data was not finalised at that time. Sufficient additional data was supplied by the Authority and the SPPA (assessed by GAD for reasonableness) to enable the liability at 31 March 2023 to be assessed, based on the calculated liability as at 31 March 2020.

Pay inflation

Promotional salary scales have been set in accordance with the published police pay scales in line with the 2020 valuation, with short-term general pay increases calculated taking pay restraint into consideration until 2023-24.

Year	31 March 2023	31 March 2022
2020-21	0% plus promotional scale	0% plus promotional scale
2021-22	1.80% plus promotional scale	1.80% plus promotional scale
2022-23	5.00% plus promotional scale	4.15% plus promotional scale
2023-24	3.65% plus promotional scale	4.15% plus promotional scale

It has been assumed that serving officers in the PPS retire at the earlier of attaining 30 years' service, or after 25 years' service at the age 50 and above or at age 55. It has also been assumed that serving officers in the NPPS will retire at age 55, with some additional allowances for some premature retirements on the grounds of ill-health. Financial assumptions are summarised below:

	31 March 2023	31 March 2022
Pension increase rate	2.40%	2.90%
Long-term Salary increase rate	3.65%	4.15%
Short-term Salary increase rate	n/a	n/a
Discount rate	4.15%	1.55%

Mortality rates

In all cases, life expectancies relate to members retiring in normal health.

Baseline mortality - In line with initial recommendations for the 2020 funding valuation (2021-22 in line with 2016 funding valuation).

Future mortality improvements - in line with ONS 2020-based population projections (2021-22 in line with ONS 2018-based population projections).

	31 March 2023		31 March 2022	
	Males	Females	Males	Females
Current normal health pensioners	25.8 years	27.6 years	26.0 years	27.7 years
Future pensioners	27.5 years	29.2 years	27.8 years	29.4 years

(b) Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	31 March 2023		31 March 2022	
	Change in Employer Liability %	Approximate Monetary amount £'000	Change in Employer Liability %	Approximate Monetary amount £'000
0.5% increase in real discount rate	(8.0)	(1,033,000)	(10.5)	(2,447,000)
1 year increase in member life expectancy	3.0	387,000	4.0	932,000
0.5% increase in salary increase rate	1.0	129,000	2.5	583,000
0.5% increase in the pensions increase rate (CPI)	7.0	904,000	10.5	2,447,000

The liability is very sensitive to the assumed discount rate and the pension increase rate. For 2022-23, the decrease in the assumed rate of pension increases from 2.90% p.a. to 2.40% p.a. and the decrease in the assumed rate general pay increases from 4.15% p.a. to 3.65% p.a., both decreases the value of the liabilities. The increase in the nominal discount rate from 1.55% p.a. to 4.15% p.a., decreases the liabilities. The combined effects of the financial assumptions can be seen in movements above.

The pension scheme's Current Service Cost (inclusive of member contributions) for the future year ending 31 March 2024 is estimated to be 31.3% (2022-23: 89.7%) of pensionable salaries, with the injury benefit scheme's equivalent Current Service Cost being estimated at 0.63% (2022-23: 1.79%).

(c) Change in the fair value of plan assets, defined benefit obligations and net liability

The tables overleaf show the change in the fair value of plan assets, defined benefit obligation and net liability for the combined police pension schemes.

	2022-23 Net (liability)/asset			2021-22 Net (liability)/asset		
	PPS/NPPS/ 2015 £'000	Injury £'000	Total £'000	PPS/NPPS/ 2015 £'000	Injury £'000	Total £'000
Fair value of employer assets	-	-	-	-	-	-
Present value of unfunded liabilities	(23,306,300)	-	(23,306,300)	(21,231,600)	-	(21,231,600)
Present value of injury liabilities	-	(548,500)	(548,500)	-	(491,900)	(491,900)
Opening position as at 1 April	(23,306,300)	(548,500)	(23,854,800)	(21,231,600)	(491,900)	(21,723,500)
Current service cost	(589,700)	(11,800)	(601,500)	(713,400)	(14,300)	(727,700)
Past service cost (including curtailments)	-	-	-	-	-	-
Total service cost	(589,700)	(11,800)	(601,500)	(713,400)	(14,300)	(727,700)
Interest income on plan assets	-	-	-	-	-	-
Interest cost on defined benefit obligation	(361,200)	(8,500)	(369,700)	(266,800)	(6,200)	(273,000)
Total net interest	(361,200)	(8,500)	(369,700)	(266,800)	(6,200)	(273,000)
Total defined benefit cost	(950,900)	(20,300)	(971,200)	(980,200)	(20,500)	(1,000,700)
Net transfers in from other authorities	(1,600)	-	(1,600)	(1,700)	-	(1,700)
Net transfers out to other authorities and other payments to and on account of leavers	4,400	-	4,400	2,900	-	2,900
Contributions in respect of injury benefits	-	-	-	-	-	-
Pensions and lump sum expenditure	593,900	13,500	607,400	488,400	12,900	501,300
Other movements	596,700	13,500	610,200	489,600	12,900	502,500
Expected closing position	(23,660,500)	(555,300)	(24,215,800)	(21,722,200)	(499,500)	(22,221,700)

	2022-23 Net (liability)/asset			2021-22 Net (liability)/asset		
	PPS/NPPS/ 2015 £'000	Injury £'000	Total £'000	PPS/NPPS/ 2015 £'000	Injury £'000	Total £'000
	Change in demographic assumptions	806,900	-	806,900	-	-
Change in financial assumptions	11,050,600	247,700	11,298,300	(1,668,600)	(35,700)	(1,704,300)
Other experience	(1,107,800)	(34,400)	(1,142,200)	84,500	(13,300)	71,200
Total re-measurements	10,749,700	213,300	10,963,000	(1,584,100)	(49,000)	(1,633,100)
Fair value of employer assets	-	-	-	-	-	-
Present value of unfunded liabilities	(12,910,800)	-	(12,910,800)	(23,306,300)	-	(23,306,300)
Present value of injury liabilities	-	(342,000)	(342,000)	-	(548,500)	(548,500)
Closing position as at 31 March	(12,910,800)	(342,000)	(13,252,800)	(23,306,300)	(548,500)	(23,854,800)

24. Local Government Pension Schemes

The latest formal valuations of the Scottish LGPS funds were at 31 March 2020. To assess the value of the Authority's assets and liabilities in the funds as at 31 March 2023 for the purposes of IAS19, the value of the Authority's liabilities has been rolled forward from the 31 March 2020 valuation, allowing for different financial assumptions required under IAS19, the investment returns obtained and contributions paid into and estimated benefits paid from the fund. In calculating the service cost, allowance has been made for changes in the pensionable payroll as estimated from contribution information provided.

Below shows the assumptions, sensitivity analysis, projected defined benefit cost and change in the fair value of plan assets, defined benefit obligation and net liability for the year for all the LGPS schemes combined.

Calculations were carried out in accordance with the Pensions Technical Actuarial Standard 100 adopted by the Financial Reporting Council, which came into effect on 1 July 2017, and adopting paragraphs 94 of IAS19 which recognises actuarial gains and losses in the period in which they occur. The current service cost includes an allowance for administration expenses of 0.2% of payroll. The valuations were conducted by Hymans Robertson LLP.

(a) Financial and demographic assumptions in the valuation

Financial assumptions are summarised below:

	31 March 2023	31 March 2022
Pension increase rate	2.95%	3.20%
Salary increase rate	3.65%	3.90%
Discount rate	4.75%	2.70%

Mortality rates

The life expectancies for each Fund are based on the mortality assumptions adopted for the 2020 formal valuations of each Fund but with an adjustment to future rates of improvement. Future longevity improvements assumptions are used in line with the latest Continuous Mortality Investigation (CMI) results, namely the CMI 2021 model with a 10% weighting of 2021 (and 2020) data, smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of 1.5% p.a. for both females and males. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	31 March 2023		31 March 2022	
	Males	Females	Males	Females
Current pensioners	19.3 years	22.2 years	19.6 years	22.4 years
Future pensioners	20.5 years	24.2 years	21.0 years	24.5 years

(b) Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	31 March 2023		31 March 2022	
	Increase to Employer Liability %	Approximate Monetary amount £'000	Increase to Employer Liability %	Approximate Monetary amount £'000
0.1% decrease in real discount rate	2	31,816	2	48,795
1 year increase in member life expectancy	4	58,417	4	86,858
0.1% increase in salary increase rate	-	3,759	-	6,229
0.1% increase in the pensions increase rate (CPI)	2	28,509	2	42,150

*For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages).

The figures have been derived based on the membership profile of the employer at the date of the most recent actuarial valuation.

(c) Projected defined benefit cost for the year to 31 March 2024

	Assets	Obligations	Net (liability) / asset	
	£'000	£'000	£'000	% of pay
Projected current service cost*	-	42,418	(42,418)	(20.0)%
Past service cost including curtailments	-	-	-	-
Effect of settlement	-	-	-	-
Total service cost	-	42,418	(42,418)	(20.0)%
Interest income on plan assets	94,915	-	94,915	44.8%
Interest cost on defined benefit obligation	-	71,500	(71,500)	(33.8)%
Total net interest cost	94,915	71,500	23,415	11.1%
Total included in net expenditure	94,915	113,918	(19,003)	(9.0)%

*The current service cost includes an allowance for administration expenses of 0.2% of payroll.

The estimated employers' contributions for the year to 31 March 2024 will be approximately £41.9 million.

(d) Split of the fund assets

	As at 31 March 2023				As at 31 March 2022			
	Quoted Prices	Not Quoted	Total	Percentage of Total Assets	Quoted Prices	Not Quoted	Total	Percentage of Total Assets
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Equity securities:								
Consumer	242,842	1	242,843	12.2%	248,989	-	248,989	12.5%
Manufacturing	272,908	8	272,916	13.7%	290,730	1	290,731	14.5%
Utilities	119,340	-	119,340	6.0%	107,196	1	107,197	5.4%
Financial Institutions	119,219	-	119,219	6.0%	135,857	1	135,858	6.8%
Healthcare	145,539	-	145,539	7.3%	135,864	1	135,865	6.8%
IT	82,445	1	82,446	4.1%	95,594	-	95,594	4.8%
Other	135,743	-	135,743	6.8%	160,715	-	160,715	8.0%
Debt securities								
Corporate bonds (investment grade)	30,985	17	31,002	1.6%	158	1,100	1,258	0.1%
Corporate bonds (non-investment grade)	-	-	-	0.0%	-	-	-	0.0%
UK Government	229,294	40	229,334	11.5%	120,095	45	120,140	6.0%
Other	41,319	26	41,345	2.1%	5	-	5	0.0%
Private equity:								
All	1,237	8,030	9,267	0.5%	-	313,291	313,291	15.7%
Real estate:								
UK property	13,460	76,387	89,847	4.5%	177	104,675	104,852	5.2%
Overseas property	2,626	548	3,174	0.2%	-	745	745	0.0%
Investment funds & unit trusts:								
Equities	27,342	3,371	30,713	1.5%	29,566	2,498	32,064	1.6%
Bonds	198	57,889	58,087	2.9%	44,261	692	44,953	2.2%
Hedge funds	-	116	116	0.0%	-	155	155	0.0%
Commodities	-	2	2	0.0%	-	2	2	0.0%
Infrastructure	30	281,943	281,973	14.2%	26	1,716	1,742	0.1%
Other	68	26	94	0.0%	126	26	152	0.0%
Derivatives:								
Inflation	-	-	-	0.0%	-	-	-	0.00%
Interest rate	-	-	-	0.0%	-	-	-	0.00%
Foreign exchange	84	-	84	0.0%	(212)	-	(212)	0.00%
Other	-	-	-	0.0%	-	-	-	0.00%
Cash:								
All	93,564	82	93,646	4.7%	205,584	47	205,631	10.3%
Total	1,558,243	428,487	1,986,730	100.0%	1,574,731	424,996	1,999,727	100.0%

(e) Change in the fair value of plan assets, defined benefit obligations and net liability

Whilst the liabilities calculated in the table below include an allowance for some premature retirement on the grounds of ill health, there is no allowance for early retirements on the grounds of redundancy or efficiency, other than those actual cases notified to the actuary.

	2022-23			2021-22		
	Assets £'000	Obligations £'000	Net (liability)/ asset £'000	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair value of employer assets	1,999,727	-	1,999,727	1,826,545	-	1,826,545
Present value of unfunded liabilities	-	41,258	(41,258)	-	44,311	(44,311)
Present value of funded liabilities	-	2,171,450	(2,171,450)	-	2,222,047	(2,222,047)
Opening position as at 1 April	1,999,727	2,212,708	(212,981)	1,826,545	2,266,358	(439,813)
Current service cost	-	100,167	(100,167)	-	111,929	(111,929)
Past service cost (including curtailments)	-	1,106	(1,106)	-	409	(409)
Total service cost	-	101,273	(101,273)	-	112,338	(112,338)
Interest income on plan assets	54,304	-	54,304	36,763	-	36,763
Interest cost on defined benefit obligation	-	60,824	(60,824)	-	46,261	(46,261)
Total net interest	54,304	60,824	(6,520)	36,763	46,261	(9,498)
Total defined benefit cost	54,304	162,097	(107,793)	36,763	158,599	(121,836)
Plan participants' contributions	13,686	13,686	-	13,566	13,566	-
Employer contributions	44,695	-	44,695	42,961	-	42,961
Transfers in from other authorities	-	-	-	-	-	-
Contributions in respect of unfunded benefits	1,867	-	1,867	1,625	-	1,625
Pensions and lump sum expenditure	-	-	-	-	-	-
Benefits paid	(35,151)	(35,151)	-	(33,227)	(33,227)	-
Unfunded benefits paid	(1,867)	(1,867)	-	(1,625)	(1,625)	-
Other movements	23,230	(23,332)	46,562	23,300	(21,286)	44,586
Expected closing position	2,077,261	2,351,473	(274,212)	1,886,608	2,403,671	(517,063)

	2022-23			2021-22		
	Assets £'000	Obligations £'000	Net (liability)/ asset £'000	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Change in demographic assumptions	-	(18,100)	18,100	-	(12,930)	12,930
Change in financial assumptions	-	(831,293)	831,293	-	(181,030)	181,030
Other experience	-	64,378	(64,378)	-	2,997	(2,997)
Asset ceiling adjustment	(373,186)	-	(373,186)	-	-	-
Return on assets excluding net interest	(90,531)	-	(90,531)	113,119	-	113,119
Total re-measurements	(463,717)	(785,015)	321,298	113,119	(190,963)	304,082
Fair value of employer assets	1,986,730	-	1,986,730	1,999,727	-	1,999,727
Asset ceiling adjustment	(373,186)	-	(373,186)	-	-	-
Present value of unfunded liabilities	-	33,449	(33,449)	-	41,258	(41,258)
Present value of funded liabilities	-	1,533,009	(1,533,009)	-	2,171,450	(2,171,450)
Closing position as at 31 March	1,613,544	1,566,458	47,086	1,999,727	2,212,708	(212,981)

25. Scottish Government funding

The cash and non-cash Grant in Aid received from the Scottish Government is detailed below, and shown within the Statement of Resource Outturn analysis within the Accountability Report.

Grant in Aid	2022-23 £'000	2021-22 £'000
1 Cash		
1a) Revenue grant funding ¹	1,298,995	1,225,040
1b) Reform funding – revenue	21,300	23,100
1c) COP26 funding – revenue	-	49,100
Resource funding (Cash)	1,320,295	1,297,240
1d) Working Capital cash	5,422	27,027
1e) Additional ODEL grant to cover loan capital repayments	5,051	3,804
Resource, ODEL, other Grant in Aid	1,330,768	1,328,071
1f) Capital grant funding	48,900	50,073
1g) Reform funding – capital	4,600	4,600
1h) COP26 funding – capital	-	2,400
Capital funding	53,500	57,073
Total Cash received	1,384,268	1,385,144
2 Non-cash		
2a) Fiscal Resource (IFRS 16)	191	-
2b) Capital (IFRS 16)	4,901	-
2c) Ring-fenced Non-cash	57,071	50,000
2d) Annually Managed Expenditure (AME)	78,921	75,000
Total Non-cash funding	141,084	125,000
Total Grant in Aid	1,525,352	1,510,144

¹Includes £15.403m funding for Operation Unicorn.

Other Scottish Government funding is received each year per the schedule below. Annex D and pension funding is shown within note 17, and other grant income received is shown within other operating income in note 3.

Other Scottish Government Funding	2022-23 £'000	2021-22 £'000
Annex D and pension funding	498,339	399,699
Safety Camera Partnership	5,041	4,320
Violence Reduction Unit	1,161	1,064
Other	1,448	519
Other Scottish Government funding	505,989	405,602

26. Contingent liabilities

There are a number of potential liabilities facing the Authority, which are yet to crystallise and for which estimated amounts (where available) are included below:

Guaranteed Minimum Pension

Following a consultation on indexation and equalisation of Guaranteed Minimum Pensions (GMP), the UK Government confirmed that it has decided to make full GMP indexation the permanent solution for public service pension schemes. Schemes are directed to provide full indexation to those public servants reaching State Pension age beyond 5 April 2021. A further court ruling in November 2020 requires schemes to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement.

Actuarial allowances currently made are expected to cover the cost of indexation, although the scope of CETV top-up costs has yet to be determined and therefore remains a potential liability. This has been currently assessed by actuaries as a relatively small uplift.

Legal claims

Provision estimates at note 21 are based on a best estimate of potential outgoings for legal claims. The residual level of claim against the organisation remains a contingent liability, which will in due course be removed, or re-assessed as a future provision in line with the progression of claims and appropriate review. Considering the available information and the materiality of claims, the contingent liability as at the end of the financial year has been estimated at £31 million (31 March 2022: £29m).

27. Financial commitments

The Authority had capital commitments as at 31 March 2023 as follows:

Capital Commitments	2022-23 £'000	2021-22 £'000
Property, plant & equipment	20,807	3,891
Intangible assets	293	3,372
Balance as at 31 March	21,100	7,263

28. Related party transactions

The Authority is an Other Significant National Body sponsored by the Scottish Government. The Scottish Government is regarded as a related party. During the year, the Authority has had various material transactions with the Scottish Government and with other entities for which the Scottish Government is regarded as a parent body, in particular regarding property transactions such as the rental of Gartcosh from the Scottish Government. In addition, the Authority has had a small number of material transactions with other government departments, central government bodies, local government, non-departmental public bodies and similar organisations.

During the year, apart from their service contracts, no Board members or members of senior management or their related parties have undertaken any material transactions with the Authority. Board members' interests are detailed within the Remuneration Report. Transactions with bodies in which they hold interests have been examined.

29. Financial instruments

As detailed in note 25 to the Accounts, the Authority is funded through Grant in Aid which is set by Scottish Ministers in advance of the financial year. Cash Grant in Aid is released throughout the year in order that the organisation can meet its financial responsibilities as they fall due throughout the year and maintain an adequate level of working capital.

Categories of Financial Instruments	Note	31 March 2023 £'000	31 March ¹ 2022 £'000
Financial assets			
<i>Amortised cost</i>			
Cash and cash equivalents	12	26,146	46,880
Trade and other receivables	14	10,621	9,776
Balance as at 31 March		36,767	56,656
Financial Liabilities			
<i>Amortised cost</i>			
Trade and other payables	16	(81,106)	(97,971)
Leases	18	(46,583)	(2,325)
PFI agreements	19	(11,130)	(12,604)
Long-term loans	20	(62,504)	(67,937)
Balance as at 31 March		(201,323)	(180,837)

¹ Figures (£'000) as at 31 March 2022 have been restated to exclude:
Assets: Prepaid and accrued expenses (£20,469); Inventories (£4,833); Assets held for sale (£2,758) VAT (£12,995). Overall reduction of (£41,055).
Liabilities (Trade and Other Payables): Other taxation and social security (£25,071); Accruals (part) (£20,543). Overall reduction of (£45,614).

Financial assets and liabilities are generated through day-to-day operational activities and there are no additional financial instruments held. Because of the nature of its activities and the way in which the Authority is financed, there is little exposure to the degree of credit, liquidity or market risk faced by business entities.

The main elements of risks that the Authority are exposed to are:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Authority;
- **Liquidity risk** – the possibility that the Authority might not have funds available to meet its commitments to make payments; and
- **Market risk** – the possibility that financial loss might arise for the Authority as a result of changes in interest rate movements.

Credit Risk

Credit risk arises from cash and cash equivalents from deposits with banks as well as credit exposure to customers.

For banks, funds are held with the Government Banking Service. Transactional services are provided by NatWest, with corporate banking arrangements held with The Royal Bank of Scotland. Therefore, there is little exposure to credit risks from these deposits.

Credit risk is the risk of financial loss to the Authority if a customer fails to meet their contractual obligations. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with appropriate credit ratings being set in accordance with the Authority's Income and Debt Management Policy.

The Authority grants a credit term of a period of 30 days from invoice date to the settlement of invoices, and all efforts are made to ensure that debts are paid. Therefore, there is little exposure to credit risks from customers failing to pay amounts due.

Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The risk is managed by ensuring that enough funds are available to meet liabilities as they fall due by rigid and close monitoring of cashflow on a daily basis and regular reviews of expenditure requirements during the month. As the cash requirements of the Authority are largely met through Grant in Aid, there is no significant liquidity risk.

Market Risk

Market risk is the risk that financial loss might arise as a result of changes in measures such as interest rates. The Authority has no power to borrow funds, however there are long term loans payable by the organisation, see note 20. These loans, from the Public Works Loans Board, were transferred from the Local Councils on the creation of the Authority and are managed by the local Councils' Consolidated Loans Funds. Any additional interest due as a result of changes in interest rates in future years will be met from Grant in Aid income provided by the Scottish Government.

All surplus funds are held in non-interest-bearing accounts and therefore exposure to interest rate fluctuations is low. Bank balances are not held in foreign currency, although the organisation transacts in foreign currency with some creditors. Any shortfall or surplus in currency transactions is minimal.

Fair value

The carrying value for most of the assets and liabilities is deemed to approximate their fair value for those simple in nature. The fair values for Loans and PFI agreements are deemed to be the same as their carrying value, given that the intrinsic interest rate is higher than the discount rate set by HM Treasury PES papers.

30. Events after the reporting period

There have been no events which have occurred after the reporting period which have had an effect on the Annual Report & Accounts for 2022-23 which have not been disclosed.

31. Key sources of judgement and estimation uncertainty

a) Judgements

Apart from those judgements involved in the course of arriving at estimations used in the financial statements (see below, 31.b)), there are other judgements made in the process of applying the Authority's accounting policies and that have a potentially significant effect on amounts recognised in the financial statements.

Leases

In line with the accounting policy as set out at Note 1.10, the Authority has assessed its contracts, including those relating to occupation of property, to determine the scope and number of leases subject to application of accounting treatment under accounting standard IFRS 16 – Leases, as determined in the Financial Reporting Manual (FRm); and related IFRS 16 Treasury issued guidance (applicable from 1 April 2022).

In some cases related to property leases, judgements have been made as appropriate, in relation to a reasonably certain length of term of occupation where initial lease agreements may have expired.

This assessment increased the asset base of the Authority by £52m at the commencement of the financial year, along with the introduction of an equivalent long term liability. Further detailed consideration and disclosure is presented at Notes 8 and 20 to the Financial Statements.

Provisions

With reference to accounting policy 1.17, when assessing potential liabilities arising from legal claims against the Authority, legal opinion and judgement has been sought, using the knowledge and experience of senior legal professionals in the Authority, and are subject to regular review (at a minimum annually).

Total legal provisions amount to £7.4m as at 31 March 2023 (£9.8m as at 31 March 2022).

A provision value has also been assessed in relation to potential costs relating to dilapidations costs at the conclusion of property lease agreements. The views of qualified internal property valuers has been sought in coming to a view on potential liability, and knowledge and experience has also been applied where appropriate.

Total provisions for this liability amount to £7.7m as at 31 March 2023 (£9.0m as at 31 March 2022).

b) Estimation uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the Authority about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. Because future balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The following summary details uncertainties on assumptions and estimates, and where possible, outlines the potential effect if actual results differ from the assumptions made.

Non-current assets - Useful Economic Lives

Depreciation charges are applied to non-current assets in line with the requirements of the Financial Reporting Manual, and IAS 16 Property, Plant and Equipment.

At the point of acquiring or creating a non-current asset, an estimation is made on the useful economic life (UEL) appropriate for that category of asset (Statement of accounting policies Note 1.6). This involves an inherent degree of uncertainty and an assessment of the appropriateness of UELs applied to asset groupings is undertaken periodically, with reference to past experience.

Total depreciation charges in 2022-23 for property, plant and equipment are £45m (rounded), so in the event that such a review altered the (weighted) average UEL by 10%, this would increase/decrease depreciation charges by approximately £4.5m.

Land and Buildings Valuation

Assumptions regarding the fair value of: Land and Buildings; and Investment Properties, are based on information provided in valuation reports produced by suitably qualified (RICS) surveyors (both in-house and external), taking into account market conditions where relevant, and other available data.

Property (non-investment) valuations are conducted on a cyclical basis, whereby a period of no longer than 5 years would elapse with no valuation conducted. There is therefore a possibility that valuations may not reflect the most up to date information available on an annual basis. However, the risk of material misstatement is viewed as minimal given the profile of the property estate, and valuation basis applied.

The fair value hierarchy and approach is outlined at Note 1.2 (Accounting Policies; Fair Value). Detailed valuation policies are summarised at Notes 1.5 and 1.7 (Accounting Policies; PPE and Investment properties).

For operational properties Existing Use in Value (EUV) for non-specialist operational properties; and Depreciated Replacement Cost (DRC for specialist operational properties). DRC valuations are conducted annually on a desktop basis (unless subject to valuation as part of the planned cyclical full valuation process).

Key assumptions made for DRC valuations are that the aggregate of: land value for a notional replacement in the same locality; and the gross replacement cost of the building are then subject to appropriate deductions to make allowance for: age, condition, obsolescence, environmental and other relevant factors.

In the case of EUV valuations, the valuation assumption is that the estimate should reflect the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

Where a property has experienced significant capital expenditure in a particular year, it is subject to a full valuation, potentially ahead of the cyclical valuation programme. This is done to minimise levels of estimation uncertainty in the overall valuation process.

On the basis of the Land and Buildings Net Book Value recorded as at 31 March 2023, a 1% movement in valuation would equate to approximately £4.1m in any one year.

Carrying values for the main asset categories are detailed at Note 7 (Property, Plant and Equipment).

Post-employment benefits (IAS19) - General

A range of actuarial assumptions and valuations in respect of post-employment benefits are provided by the Government Actuary's Department (GAD) for police schemes; and Hymans Robertson LLP for LGPS schemes.

For LGPS funds, formal actuarial valuations are carried out every three years. Hymans Robertson LLP have estimated the accounting balance sheet position as at 31 March 2023 based on data obtained through the 2020 formal valuation for the employer.

GAD have calculated scheme liability for police schemes at 31 March 2022 using updated membership data from the actuarial valuation as at 31 March 2020. Comparisons between the previous valuation dataset of 2016 have been provided as part of the actuarial reports. GAD have finalised data validation in relation to movements between these valuations. However, further analysis of the 2020 valuation results by GAD continues in order to produce the final report on the 31 March 2020 valuations. This process may lead to some refinement of the calculations in further reporting periods, but this is not expected to have a material impact on the Scheme's liabilities.

Full details of the financial value and sensitivity analysis on the principal financial and demographic assumptions for post-employment benefits are provided at Notes 22 to 24 inclusive.

IAS19 Pension Asset (LGPS) – application of IFRIC14

Draft actuarial aggregate results received for Local Government Pension Schemes initially indicated an overall net pension scheme asset position of £420m.

When a net pension asset occurs, the accounting treatment is outlined in the interpretation update: IFRIC14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The IFRIC guidance seeks to limit the level of IAS19 pension asset positions, taking into account the presumption that future economic benefits should flow back (to the reporting entity) in the form of contribution adjustments for example.

Following a further review of the position as guided by IFRIC14, it has been determined to limit ("cap") the value of the pension asset previously disclosed.

This review was informed by further reports from the appointed actuaries. The actuarial calculations in those reports assume that:

- the employer will participate in the LGPS indefinitely (i.e., in perpetuity)
- the present value of the liability expected to arise from next years' service by scheme members less the present value of future employee contributions is equal to the projected current service cost multiplied by the projected payroll.

On the basis of the review, the previously reported asset value has been reduced ("capped") to £47m.

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THE SCOTTISH POLICE AUTHORITY

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of section 5 (1) of chapter 1 of the Police and Fire Reform (Scotland) Act 2012 hereby give the following direction.
2. The statement of accounts for the financial period ended 31 March 2013, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses and cash flows for the financial period and of the state of affairs at the end of the Financial period.
4. This direction shall be reproduced as an appendix to the statement of accounts.



Gillian Russell
Head of Police Division
Signed by the authority of the Scottish Ministers

Dated: 1st March 2013

