



SCOTTISH POLICE
AUTHORITY
ÙGHDARRAS POILIS NA H-ALBA

Agenda Item 3.5

Meeting	Forensic Services Committee
Date	7 August 2025
Location	Webex
Title of Paper	Forensic Services Financial Monitoring Report Q1
Presented By	Fiona Douglas, Director of Forensic Services
Recommendation to Members	For Discussion
Appendix Attached	Yes – Appendix A – Finance Report Q1 2025/26

PURPOSE

The purpose of this report is to provide the Committee with an update on the financial position of Forensic Services for Quarter one, 2025/26 (three months ending 30 June 2024) and the full year forecast.

1 BACKGROUND

- 1.1 The SPA Board approved the revenue and capital budget for 2025/26 on 27 March 2025.
- 1.2 Forensic Services agreed allocation was a revenue budget of £47.4 million, capital spend of £3.0 million and reform budget of £1.6m to support transformational change.

2 FURTHER DETAIL ON THE REPORT TOPIC

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

Revenue

- Q1 net expenditure forecast was an overspend position to budget by £0.1m to £47.5m (2025/26 budget £47.4m), with higher non-pay costs offset by lower pay costs.
- There are pressures included in the forecast mainly due to higher demand on forensic toxicology outsourcing and additional property and maintenance costs. These additional costs can be met due to underspends in staff costs. However, any further increases would be financially unsustainable for Forensics within its current funding allocation. This will be monitored closely and updated at the next financial forecast. The recurring cost implications also required to be considered for future years.
- Lower pay spend reflects the gap between FTE actuals and their budgeted FTE figure. It has been forecasted that as forensics moves through the year, they are expected to close the gap to nil by P6 (October 2025).
- Actual spend to end of P3 (end of June 2025) was £0.4m lower than budgeted, driven by pay costs being lower due to vacancies within Forensic Services.
- Finance is confident that the overspend can be brought down and that Forensic Services will deliver full year spend within their budgeted funding allocation.

Capital

- Full year forecast is flat to budget at £2.7m. There are some projects which may not be achievable this year as we move through the months and the governance/supplier timelines become clearer. This will be incorporated into further forecasts. Currently, plans are in place to cover any projects that are not needed or fall into next year.

- Actual spend to end of P3 (end of June 2025) was ahead of budget at £0.2m versus £0.1m budgeted. The phasing of the remaining spend is mostly from P6 (September 2025) onwards which remains unchanged from budget phasing.

Reform

- Overall spend is forecasted to be £0.3m under budget. This reflects less staff resources being needed during the year than budgeted. Spend YTD on Forensic Services projects and the full year Q1 forecast is in line.

3 FINANCIAL IMPLICATIONS

- 3.1 The financial implications are summarised above and detailed in Appendix A.

4 PERSONNEL IMPLICATIONS

- 4.1 There are no direct personnel implications associated with this report. The report highlights that staff numbers are below budget.

5 LEGAL IMPLICATIONS

- 5.1 There are no legal implications in this report.

6 REPUTATIONAL IMPLICATIONS

- 6.1 There are no reputational implications in this report.

7 SOCIAL IMPLICATIONS

- 7.1 There are no social implications in this report.

8 COMMUNITY IMPACT

- 8.1 There are no community implications in this report.

9 EQUALITIES IMPLICATIONS

- 9.1 There are no equality implications in this report.

10 ENVIRONMENT IMPLICATIONS

- 10.1 There are no environmental implications in this report.

RECOMMENDATIONS

Members are invited to discuss and note the report.





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**FORENSIC
SERVICES**

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SPA Forensic Services

Finance Report Quarter 1: 2025/26





Finance Dashboard

Q1
2025/26

Summary

Revenue:

G	G	A
Apr	May	Jun

Overspent Forecast

Capital:

A	A	G
Apr	May	Jun

Break Even Forecast

Projects:

G	G	G
Apr	May	Jun

Underspent Forecast

BAU Capital

Year to date spend: £166K

- This is ahead of expected budget spend profile

Full year budget & Q1 Forecast: £2.7m

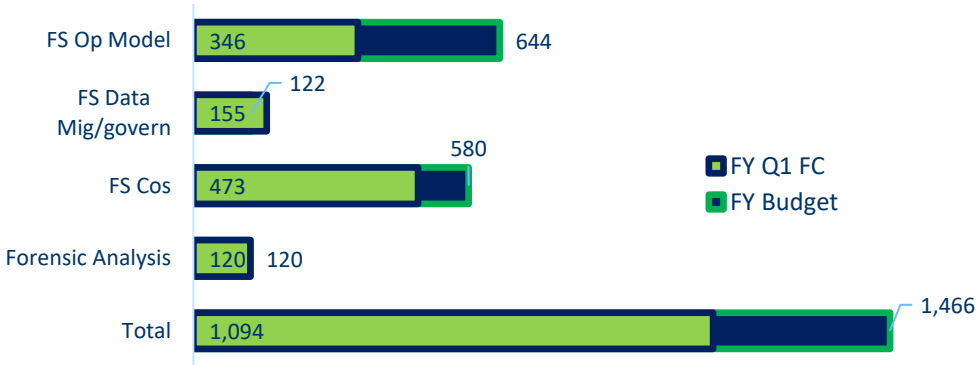
- The Q1 forecast is break even. Budget allocations have been spread to existing BAU capital projects for the Automated Extraction System which is no longer needed. Further budget allocations to some new bids are expected as we approach Q2.
- It is important that work continues at pace to deliver on this capital allocation.
- The spend profile for the year it's mostly from P6 onwards with £2.4m expected to be spent from September onwards. This remains largely unchanged from budget onwards.

Revenue

Q1 forecast spend is £0.1m higher than budget. There are several pressures included that will be monitored and updated as necessary as the year progresses.

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q1 Forecast	Var	
	£m	£m	£m	%	£m	£m	£m	%
Staff	10.3	10.0	0.3	3	41.3	40.6	0.7	2
Non-pay	1.5	1.4	0.1	7	6.2	7.0	-0.8	13
Income	-	-	-	-	-0.1	-0.1	-	-
Total	11.8	11.4	0.4	3	47.4	47.5	-0.1	-

Projects (£000)



- Q1 forecasted project spend is reduced vs budget. This is due to less staff resources being required than budgeted.
- Full year spend is expected to be £1.1m with £844k (77%) expected to be spent from July 2025 to March 2026.



Revenue Forecast: Pay

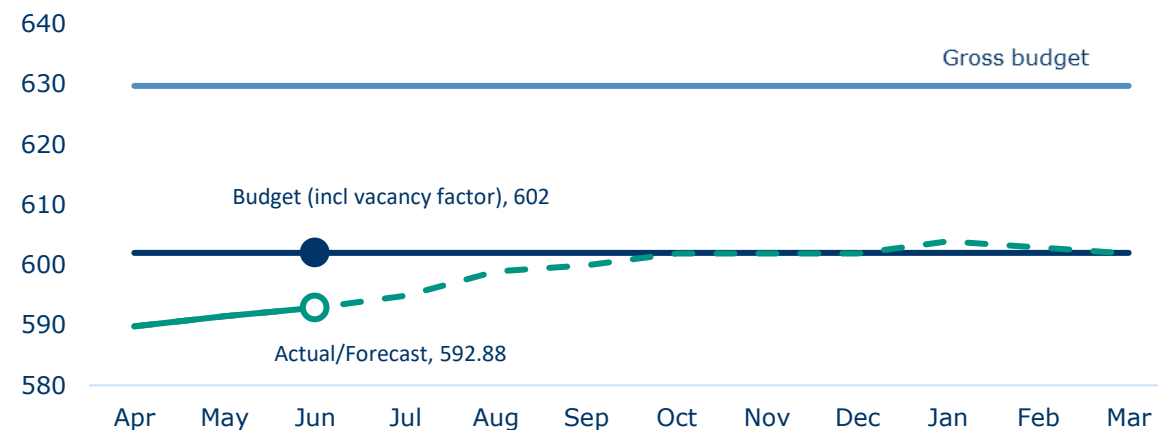
Q1
2025/26

Pay Forecast Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q1 Forecast	Var	
	£m	£m	£m	%	£m	£m	£m	%
Pay	10.2	9.9	0.3	3	40.7	40.0	0.7	2
Overtime	0.1	0.1	-	-	0.6	0.6	-	-
Total	10.3	10.0	0.3	3	41.3	40.6	0.7	2

- The overall staff pay forecast is an **underspend of £0.7m** at year end.
- The current year to date underspend is in relation to Forensics being under their budgeted FTE (under budget by an average of 10 FTE) so far during 2025/26.
- The pay budget remains a key focus in 2025/26 as Forensics fills its vacancies to provide its services. The monthly staff underspend is expected to reduce as additional staff are recruited throughout the remainder of the year with the forecast expected to achieve budgeted FTE by the end of the calendar year.
- With a large underspend predicted Forensics will use this to fund some non-pay pressures that it is seeing in this financial year.

FTE Summary



- The Q1 forecast is for 602FTE (broken line in above graph) to be in place for March 2026 and therefore at budgeted headcount.
- The forecast is based on current predictions of recruitment timelines and includes estimates for external hires/leavers. Some changes are expected as the financial year progresses.
- Actuals at P3 are 592.88 and **underspent to budget by £0.3m** which is a **gap of 9 FTE**.
- Staff recruiting and numbers continues to be monitored by the FS recruitment and resource prioritisation group.



Revenue Forecast: Non-Pay

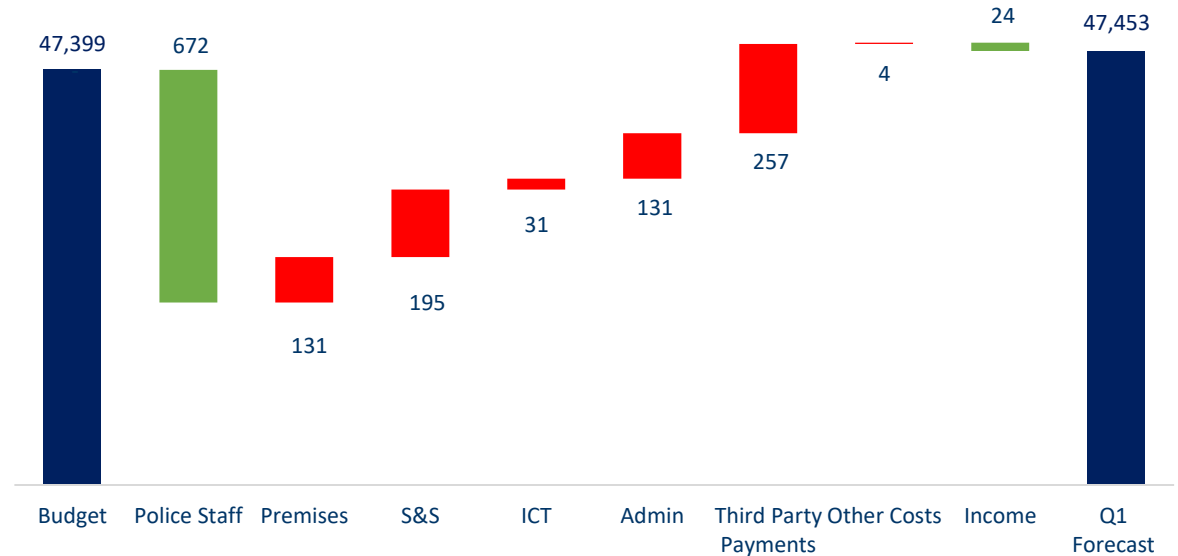
Q1
2025/26

Non-Pay Forecast Summary

	Year to date				Full Year			
	Budget	Actual	Var		Budget	Q1 Forecast	Var	
	£m	£m	£m	%	£m	£m	£m	%
Other Employee	-	-	-	-	0.1	0.1	-	-
Premises	-	-	-	-	0.1	0.2	-0.1	100
Transport	0.1	0.1	-	-	0.2	0.2	-	-
Supplies & Services	1.0	1.1	-0.1	10	4.2	4.4	-0.2	5
ICT	0.2	0.1	0.1	50	0.7	0.7	-	-
Admin	-	-	-	-	0.1	0.3	-0.2	200
3 rd Party Payments	0.2	0.1	0.1	50	0.8	1.1	-0.3	38
Total	1.5	1.4	0.1	7	6.2	7.0	-0.8	13

- The non-pay Q1 forecast is £7m; £0.8m higher than budget. There are various material pressures such as Legal, property, other third-party payments and increases amongst the equipment maintenance contracts. The movement from Budget to Q1 is explained in further detail on the waterfall to the right.
- The year-to-date actual non-pay spend at P3 is underspent to budget by £0.1m. This is partially due to phasing differences in spend as well as smaller immaterial variances within other budget categories.
- With forecasted spend for non-pay costs expected to come in higher than budget by year end it is key that focus remains trying to negate these pressures.

Non-Pay Revenue Forecast - detailed waterfall (£000)



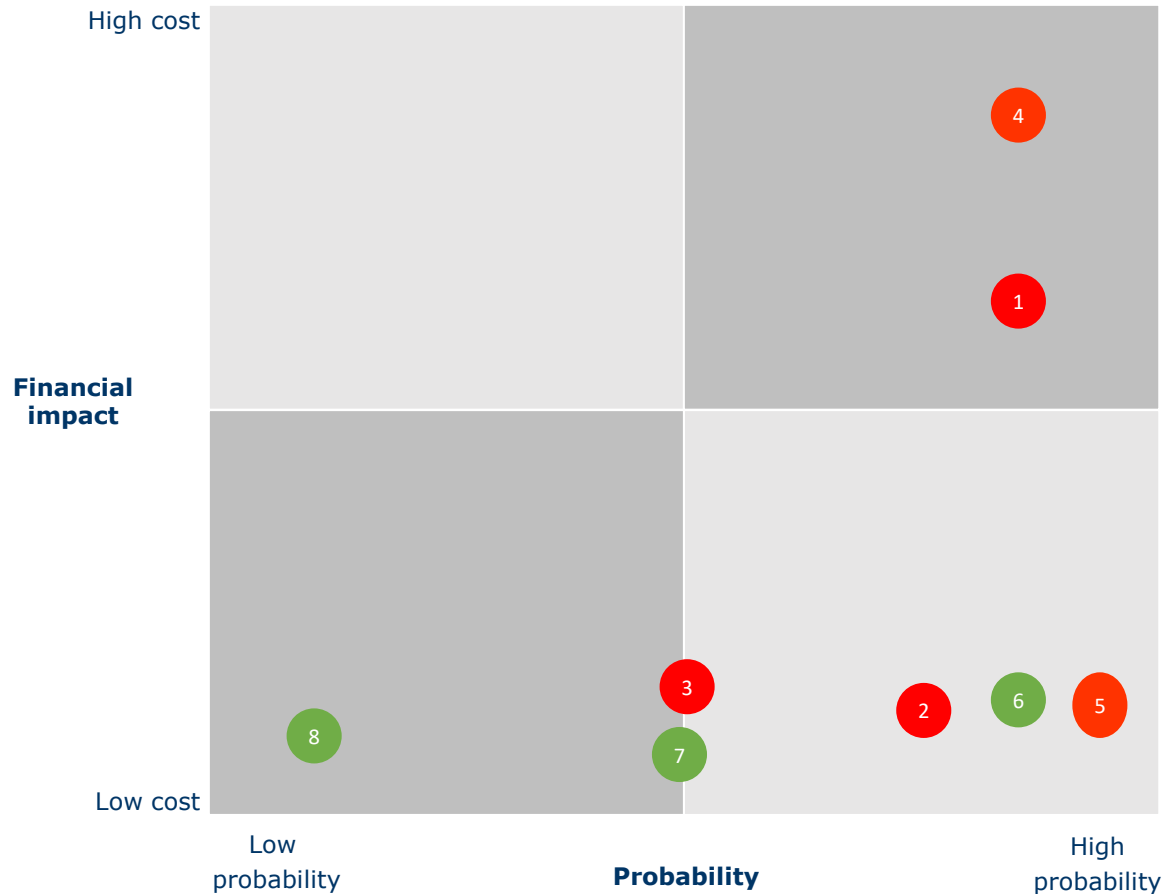
- Overspends in Non-pay mainly relate to Premises (increased property repair costs), Supplies & Services (increased equipment maintenance costs), Admin (increased legal costs) and third-party payments (increased outsourcing costs). Some overspends are recurring and not sustainable within current funding. This will be factored into budget setting cycles for 2026/27.
- Overspends are partially offset by an increase in income from Forensic services recouping costs for services provided to other public service bodies/third party companies.
- Non-pay will be monitored as we move through out the year and updated at each forecasting cycle.



Looking Forward

Issues, Threats and Opportunities

There are several threats and opportunities to the 2025/26 revenue budget that have been identified below. The chart sets out the key threats and opportunities that could result in a material change to the budgeted outturn. This also includes any budgeting assumptions where there is a risk that the assumption will materially change from what was approved when the budget was set. For each material threat or opportunity, the table below provides an assessment of the probability of the change occurring and the likely financial impact on the outturn.



Issues/Threats

1. Forensic Toxicology – budget assumes demand level delivered internally and outsourced based on agreed MOU. Demand is now increasing above budgeted levels. This is expected to be recurring and is therefore not sustainable within current budget funding.
2. Logistics – A new logistics contract was signed in late 2024/25. This identified increased costs pressures for 2025/26 vs what was submitted for the budget ask. An efficiency plan is drafted but needs to be implemented ASAP to make any savings on the expected overspend.
3. Estate repairs – There are numerous projects relating to the estate refurbishment/ additions. A prioritisation of projects needs to go ahead with three months of the financial year already passed.
4. Pay assumptions – pay assumptions have been made with regards to pay award. If pay award is higher than the assumption this will result in a pressure on the budget for 2025/26.
5. Pressures are been seen in the Equipment Maintenance/IT licence budgets due to inflationary pressures. This will be monitored and updated at each forecast cycle.

Opportunities

6. Efficiency Plan – it is expected an efficiency plan will be implemented in 2025/26 with the aim of funding any overspends.
7. Cost Recovery - Investigate all cost recovery funding for services provided to other police forces/ third party customers.
8. Recruitment – keeping FTE numbers below the budgeted figures will assist with any overspends.