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| Meeting | Authority Meeting |
| Date | 27 March 2025 |
| Location | COSLA, Edinburgh |
| Title of Paper | Scottish Police Authority Budget 2025-26 |
| Presented By | James Gray, Chief Financial Officer |
| Recommendation to Members | For Approval |
| Appendix Attached | Yes Appendix A – 2025-26 Draft budget Appendix B – Schedule of rates for events and other services |

PURPOSE

The Scottish Police Authority has a legal obligation, before the beginning of each financial year, to provide details of how it intends to allocate the financial resources it expects to have available.

The purpose of this paper is to present the proposed 2025-26 budgets for revenue, capital and reform.

This paper is presented for approval.

1. BACKGROUND

- 1.1 The SPA has a statutory duty to agree its annual budget for the coming financial year (2025-26) before the end of the current financial year (31 March 2025).
- 1.2 The Scottish Government's 2025-26 draft budget was announced on 4 December 2024 and the Scottish Budget Bill was passed in Parliament on 25 February 2025.
- 1.3 Details of the proposed budget and confirmed funding allocations are included in the draft budget report at appendix A.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The annual budget is a plan detailing how the organisation intends to allocate financial resources throughout the year to achieve operational and financial objectives. The budget is based on a number of assumptions which will be ratified with decisions being made through internal and external governance processes.
- 2.2 The proposed revenue budget for 2025-26 is £1,480.6m. Approximately 96.4% of the annual spending is undertaken by Police Scotland, with the remainder incurred by Forensic Services (3.2%) and the SPA Corporate body (0.4%).
- 2.3 Scottish Government confirmed a £56.7m core revenue funding uplift for policing in 2025-26, an increase of 4.1% on the previous year, plus an additional £15.2m to fund 60% of our increased national insurance costs and an additional £10.0m to support reform and modernisation. The remaining national insurance costs will be funded in 2025-26 through reduced pension contributions, however, savings are required to be identified in-year for delivery in 2026-27 to fund these costs on a recurring basis.
- 2.4 National insurance changes have resulted in a £25.3m cost pressure for policing. The annual pay award is a significant year-on-year pressure, with every 1% pay increase costing an additional £12.5m. Other pressures include new technology costs, general inflation and other specific price increases.

- 2.5 The budget includes vacancy management savings and an income challenge to be delivered as part of the overall budget, as well as over £9m of non-pay savings and efficiencies - a highly challenging requirement given that only 14% of the budget relates to non-pay costs.
- 2.6 The 2025-26 budget will allow for around 16,500 officers and an average ~5,900 staff FTE. However, as noted above, savings will be required in 2026-27 to fund the increased national insurance costs on a recurring basis.
- 2.7 Reform has historically been set at £25.0m, however, £4.7m of resource costs and budgets have been transferred between reform and core revenue. The revised Reform budget to support change and transformation in 2025-26 is therefore £20.3m. The budget includes £16.2m of overprogramming to be managed in-year as the work progresses on the prioritisation of change.
- 2.8 The total capital allocation for 2025-26 is £71.0m including capital receipts. This will allow us to commence the delivery of the estates masterplan, support the rolling replacement programme and progress our change and transformation programmes. It is recognised that additional resources are required in key enabling functions to support and deliver an increased capital programme.
- 2.9 The full budget report is attached at appendix A.
- 2.10 The Police and Fire Reform (Scotland) Act 2012 (sections 86 and 87), the Scottish Police Authority (Provision of Goods and Services) Order 2013 and other supporting legislation enables the Scottish Police Authority to both provide and charge for goods and services.
- 2.11 The charge out rates have been increased for 2025-26 in line with the budgeting assumptions outlined in appendix A. Any changes to fees which are set by statute will be applied as they occur. The charges for other non-statutory services are proposed to be uplifted in line with the NPCC guidance and the Consumer Price Index (CPI).
- 2.12 Details of the proposed charges for events and other services are included at appendix B.

3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications are detailed throughout the body of the report and in Appendix A.

3.2 The associated services of police rates are detailed in Appendix B.

4. PERSONNEL IMPLICATIONS

4.1 The resource implications are detailed throughout the body of the report and in Appendix A.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications associated with this paper.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no direct reputational implications associated with this paper.

7. SOCIAL IMPLICATIONS

7.1 There are no direct social implications associated with this paper.

8. COMMUNITY IMPACT

8.1 There are no direct community implications associated with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no direct equalities implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no direct environmental implications associated with this paper.

RECOMMENDATIONS

Members are asked to approve the:

- Scottish Police Authority Draft Budget for 2025-26; and
- Schedule of Rates for Events and Other Services for 2025-26.





**POLICE
SCOTLAND**
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**SCOTTISH POLICE
AUTHORITY**
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Finance

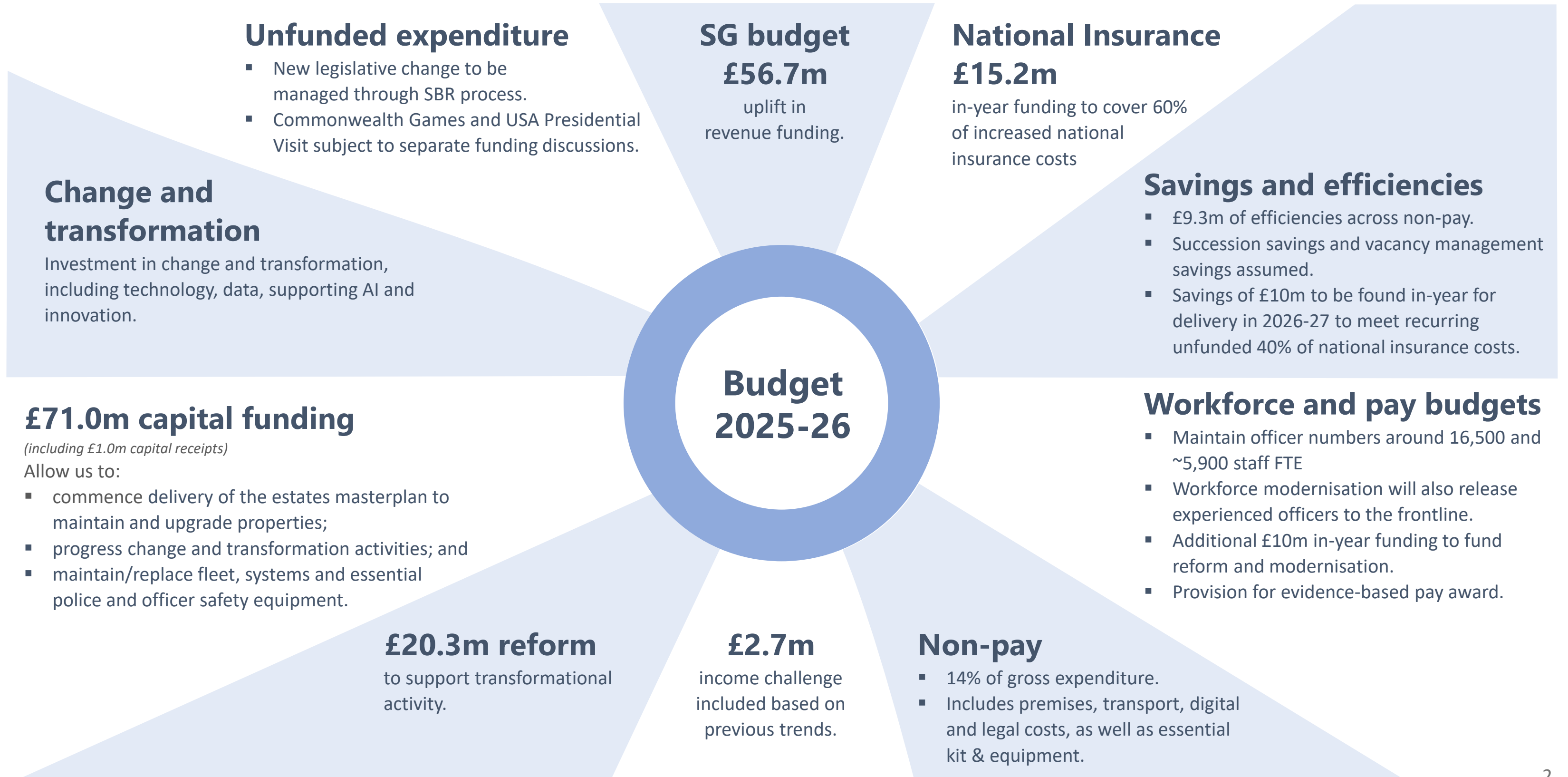
2025-26 Draft Budget

Appendix A
March 2025

OFFICIAL



2025-26 budget highlights



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Summary

Executive summary and operational context

As we move towards 2025-26, we will continue to drive the next phase of reform to implement an effective and sustainable model of policing in Scotland which delivers safer communities, less crime, supported victims, and a thriving workforce.

Policing in Scotland is an exemplar of public service reform, reducing the annual cost base to the public purse by around £300m, while maintaining and improving services and enhancing organisational learning, professionalism and governance. That has been achieved by a workforce that has reduced from over 24,000 to closer to 22,500, and through significant challenge and effort.

The overall strength and quality of policing in Scotland has increased over this period as a direct consequence of Police reform, with universal access to specialist policing capability across Scotland, the scale to ensure high end capability and the ability to manage global events, such as COP26. However, the demand on policing is increasing and increasingly complex, driven by the ongoing cost of living challenge, social issues, emerging technologies and the growth of cyber enabled crime, and new legislation. These pressures can drive vulnerability across society, including in relation to violence against women and girls.

Scottish Government funding allows us to continue officer recruitment while modernising the workforce to release experienced officers from roles which don't need warranted powers so that we can prioritise and support the frontline to deliver for our communities.

Our allocation enables policing to progress on the delivery of our business plan. Key plans for 2025-26, include the development of a strengthened community policing model to provide identifiable officers to local areas, and the establishment of a new cyber fraud unit to tackle online crime and better support victims.

The proposed revenue budget for 2025-26 is £1,480.6m. Approximately 96.4% of the annual spending is undertaken by Police Scotland, with the remainder incurred by Forensic Services (3.2%) and the SPA Corporate body (0.4%).

Scottish Government confirmed a £56.7m core revenue funding uplift for policing in 2025-26, an increase of 4.1% on the previous year, plus an additional £15.2m to fund 60% of our increased national insurance costs and an additional £10.0m to support reform and modernisation. The remaining national insurance costs will be funded in 2025-26 through reduced pension contributions, however, savings are required to be identified in-year for delivery in 2026-27 to fund these costs on a recurring basis.

National insurance changes have resulted in a £25.3m cost pressure for policing. The annual pay award is a significant year-on-year pressure, with every 1% pay increase costing an additional £12.5m. Other pressures include new technology costs, general inflation and other specific price increases.

The budget includes vacancy management savings and an income challenge to be delivered as part of the overall budget, as well as over £9m of non-pay savings and efficiencies - a highly challenging requirement given that only 14% of the budget relates to non-pay costs.

The 2025-26 budget will allow for around 16,500 officers and an average ~5,900 staff FTE. However, as noted above, savings will be required in 2026-27 to fund the increased national insurance costs on a recurring basis.

Capital and reform allocations also support the commitments outlined in the 3-year business plan and Annual Policing Plan. £20.3m of reform funding and £71.0m of capital funding is available to support the delivery of our change and transformation programmes, commence delivery of the Estates Masterplan and deliver the rolling replacement programme across Fleet, Digital and Officer safety & equipment.

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Funding

Scottish Government Funding

The table below shows the confirmed funding settlement included in the 2025-26 Scottish Budget Bill passed by MSPs on 25 February 2025, alongside additional in-year funding.

| Allocated funding | 2024-25 funding allocation* | 2025-26 funding allocation* | Movement | |
|--|-----------------------------|-----------------------------|-------------|-------------|
| | £m | £m | £m | % |
| Revenue | 1,398.7 | 1,455.4 | 56.7 | 4.1% |
| Reform | 20.3 | 20.3 | 0.0 | 0.0% |
| Capital | 64.6 | 70.0 | 5.4 | 8.4% |
| Total budget allocation | 1,483.6 | 1,545.7 | 62.1 | 4.2% |
| National insurance funding (60%) | | 15.2 | | |
| Additional funding: reform and modernisation | | 10.0 | | |
| Total allocation incl. additional SBR funding | | 1,570.9 | | |

* Includes baseline adjustment £4.7m from reform to revenue and £310k baselined into core revenue by SG.

Funding uplifts have been received in resource funding (£56.7m) and capital (£5.4m). Additional funding will be provided in year to part-fund increased national insurance costs and to support reform and modernisation.

Revenue budgets have been rebaselined to transfer £4.7m of resource costs from reform to revenue. The revised reform budget is £20.3m for 2025-26.

£70.0m capital funding (£71.0m incl. capital receipts) will commence delivery of the Estates Masterplan, deliver the ongoing rolling replacement programme and support the delivery of our change and transformation programmes.

In year funding is anticipated for Digital Evidence Sharing Capability, Emergency Service Mobile Communication Programme, Retail Crime and other funded initiatives.

The planning costs associated with the 2026 Commonwealth Games are not included in the draft budget as this is subject to separate discussions with the Organising Company.

Legislation changes, i.e. Police (Ethics, Conduct and Scrutiny) (Scotland) and Domestic Abuse (Protection) (Scotland), are also subject to separate discussions ongoing with Scottish Government.

Scottish Government have an additional £30.0m Invest to Save budget – no bids are planned to be submitted as any potential projects will be completed internally.

| Revenue |
|--|
| Revenue expenditure refers to expenses incurred by the organisation for day to day running costs. This includes: |
| <ul style="list-style-type: none"> • salary costs • vehicle fuel • utilities |

| Reform |
|---|
| Reform expenditure is ringfenced revenue used to support the organisations transformational and change activities. This includes: |
| <ul style="list-style-type: none"> • project team salaries (staff only) • initial ICT or running costs • professional services |

| Capital |
|--|
| Capital expenditure is used to acquire, maintain or improve long-term assets that have a useful life of more than one year. This includes: |
| <ul style="list-style-type: none"> • upgrade of the estate • laptops • vehicles |

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Revenue

Proposed 2025-26 revenue budget

The table below presents a balanced revenue budget for 2025-26.

| Revenue budget | | 2024-25 Budget* | 2025-26 Budget* | Movement | |
|----------------------------------|----------------------|------------------|------------------|---------------|-------------|
| | | £m | £m | £m | % |
| Police Scotland | Police officer costs | 929.8 | 987.9 | 58.1 | 6.2% |
| | Police staff costs | 251.7 | 279.9 | 28.2 | 11.2% |
| | Non-pay costs | 211.0 | 207.6 | (3.4) | (1.6%) |
| | Income | (43.3) | (47.7) | (4.4) | 10.2% |
| | PS net expenditure | 1,349.2 | 1,427.7 | 78.5 | 5.8% |
| SPA | Forensic Services | 44.0 | 47.4 | 3.4 | 7.7% |
| | SPA Corporate | 5.5 | 5.5 | 0.0 | 0.0% |
| | SPA net expenditure | 49.5 | 52.9 | 3.4 | 6.9% |
| Total revenue budget | | 1,398.7 | 1,480.6 | 81.9 | 5.9% |
| Funding allocation: | | | | | |
| GIA funding allocation | | (1,398.7) | (1,455.4) | (56.7) | 4.1% |
| National insurance funding (60%) | | - | (15.2) | (15.2) | - |
| Reform and modernisation funding | | - | (10.0) | (10.0) | - |
| Total funding | | (1,398.7) | (1,480.6) | (81.9) | 5.9% |
| Balanced budget | | - | - | - | - |

The revenue budget funds the day-to-day operational expenses of the organisation including salaries, overtime, premises costs, ICT costs and transformation costs partially offset by income.

Changes in employer national insurance contribution rates and thresholds has caused a significant pressure to the organisation (£25.3m).

With 86% of the budget relating to pay costs, the most significant year-on-year pressure is the annual pay award. An evidenced based assumption has been included in the 2025-26 budget.

As only 60% of the increased national insurance costs have been funded, savings and efficiencies are required to deliver a balanced budget.

~£9.3m of efficiencies have been removed from the non-pay budget, and succession and vacancy management savings are applied to the workforce budgets. As a result, Police officer numbers will be maintained around 16,500 and police staff at an average 5,900 FTE

Short-term changes in employer pension contributions has provided a non-recurring financial benefit. This will be used to fund increased national insurance costs in 2025-26.

Forensic Services and SPA Corporate budget has increased due to pay assumptions (mainly pay award and national insurance) and increased non-pay costs, specifically operational kits (Forensic Services). There is also a recurring saving in Premises costs of ~£300k per annum based on SPA Corporate's office move.

* Includes baseline adjustment £4.7m from reform to revenue and £310k baselined into core revenue by SG.

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Revenue detail

Police officer budget

The table below presents the proposed police officer budget for 2025-26 compared to 2024-25.

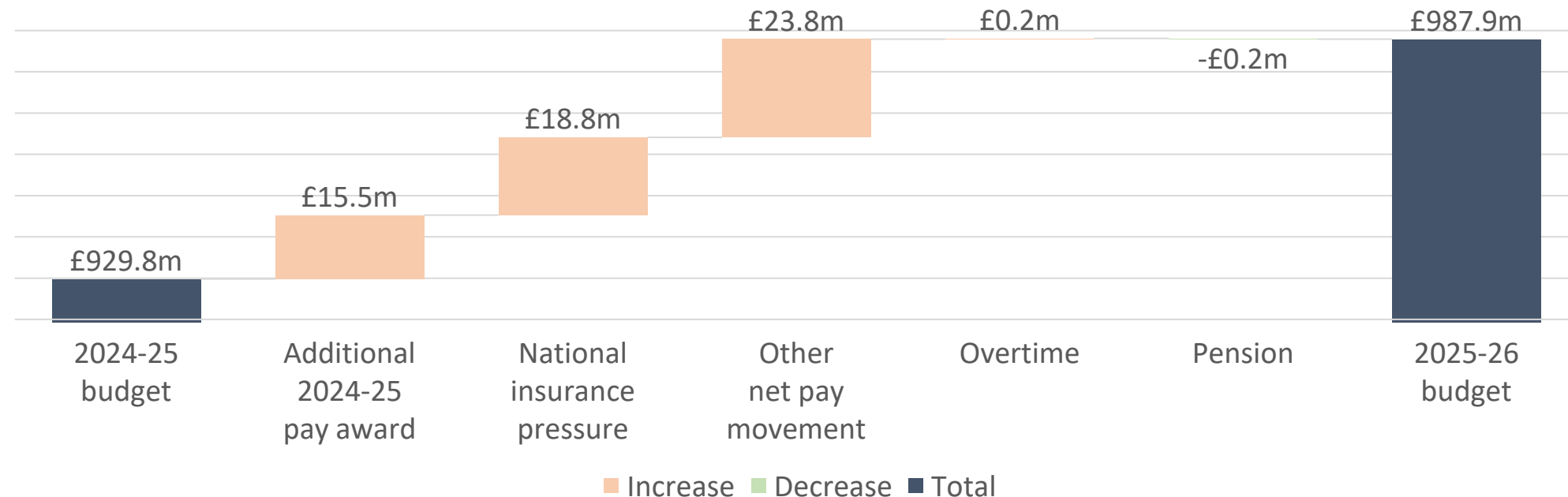
| Police officer budget | 2024-25 budget | 2025-26 budget | Movement | |
|---|----------------|----------------|-------------|-------------|
| | £m | £m | £m | % |
| Police officer pay | 873.0 | 929.7 | 56.7 | 6.5% |
| Overtime – core | 22.0 | 23.0 | 1.0 | 4.5% |
| Overtime – non-core (funded) | 3.3 | 3.5 | 0.2 | 6.1% |
| Allowances | 5.3 | 5.7 | 0.4 | 7.5% |
| Pension (injury benefit and ill health) | 26.2 | 26.0 | (0.2) | (0.8%) |
| Total | 929.8 | 987.9 | 58.1 | 6.2% |

The majority of the police officer budget is the cost of salaries, plus overtime and payments for ill health and injury pensions.

Budget allows for officer numbers to maintained around 16,500.

The cost of increments are payable but funded by officer succession savings.

Police officer budget includes a provision for an evidence-based pay award.



Changes in national insurance per the UK Government budget have caused a significant pressure on the policing budget.

Core overtime budget set in line with operational requirements. Non-core overtime is reflective of anticipated income.

Ill health and injury pension budgets have been uplifted to reflect the cost of inflation, ongoing costs and volume of outstanding cases.

Staff budget

The below table shows the proposed staff budget for 2025-26 compared to 2024-25.

| Staff budget | 2024-25 budget* | 2025-26 budget* | Movement | |
|-----------------------------------|-----------------|-----------------|-------------|--------------|
| | £m | £m | £m | % |
| Salaries, allowances and on costs | 290.0 | 321.1 | 31.1 | 10.7% |
| Overtime | 3.6 | 3.7 | 0.1 | 2.8% |
| Special constables | 0.3 | 0.3 | 0.0 | 0.0% |
| Total | 293.9 | 325.1 | 31.2 | 10.6% |
| <i>Comprised:</i> | | | | |
| Police Scotland | 251.7 | 279.9 | 28.2 | 11.2% |
| Forensic Services | 38.5 | 41.3 | 2.8 | 7.3% |
| SPA Corporate | 3.7 | 3.9 | 0.2 | 5.4% |
| Total | 293.9 | 325.1 | 31.2 | 10.6% |

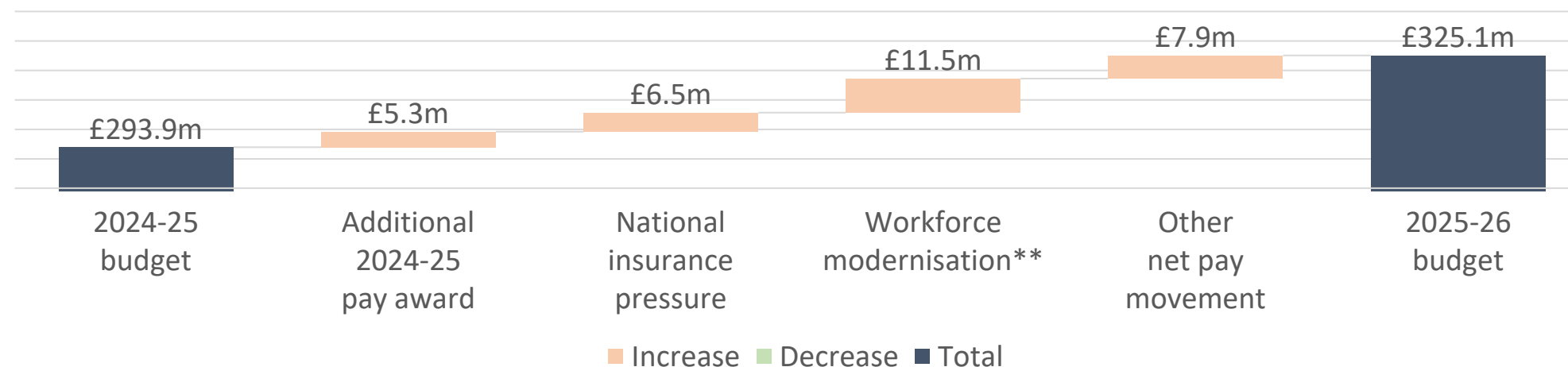
The majority of the staff budget is the cost of salaries, plus overtime and payments to special constables.

Budget reflects BAU posts plus workforce modernisation and organisational change – average ~5,900 net FTE

Changes in national insurance per the UK Government budget have caused a significant pressure on the policing budget.

Vacancy factor and reduced pay savings are applied to all staff budgets. This acknowledges that departments / divisions will not be at full establishment throughout the full financial year.

Non-recurring benefit from changes in employer pension contribution rates is being used as transitional funding to support increased workforce costs in 2025-26.



Workforce modernisation plans will ensure that the right resources are in the right place and release experienced officers, where appropriate, to support the frontline. This will support delivery of the 2030 Vision and the revised model of policing.

Further savings will be required in 2026-27 to ensure that these plans are financially sustainable.

* Includes baseline adjustment £4.7m from reform to revenue

** Full year recurring cost £13.4m

Non-pay budget

The below table shows the proposed non-pay budget for 2025-26 compared to 2024-25.

| Non-pay budget | 2024-25 budget | 2025-26 budget | Movement | |
|-----------------------|----------------|----------------|--------------|---------------|
| | £m | £m | £m | % |
| Other employee costs | 21.1 | 12.4 | (8.7) | (41.2%) |
| Premises costs | 72.7 | 68.7 | (4.0) | (5.5%) |
| Transport costs | 19.4 | 20.1 | 0.7 | 3.6% |
| Supplies and services | 39.7 | 42.1 | 2.4 | 6.0% |
| ICT costs | 37.2 | 42.1 | 4.9 | 13.2% |
| Administration costs | 10.4 | 10.7 | 0.3 | 2.9% |
| Third party payments | 15.6 | 16.1 | 0.5 | 3.2% |
| Capital financing | 4.0 | 4.0 | 0.0 | 0.0% |
| Other | (0.6) | (0.7) | (0.1) | 16.7% |
| Total | 219.5 | 215.5 | (4.0) | (1.8%) |
| <i>Comprised:</i> | | | | |
| Police Scotland | 211.0 | 207.6 | (3.4) | (1.6%) |
| Forensic Services | 5.6 | 6.2 | 0.6 | 10.7% |
| SPA Corporate | 2.9 | 1.7 | (1.2) | (41.4%) |
| Total | 219.5 | 215.5 | (4.0) | (1.8%) |

The non-pay budget comprises all other expenditure costs across the organisation outwith pay costs. The majority of the spend is premises, ICT costs and essential kit and equipment.

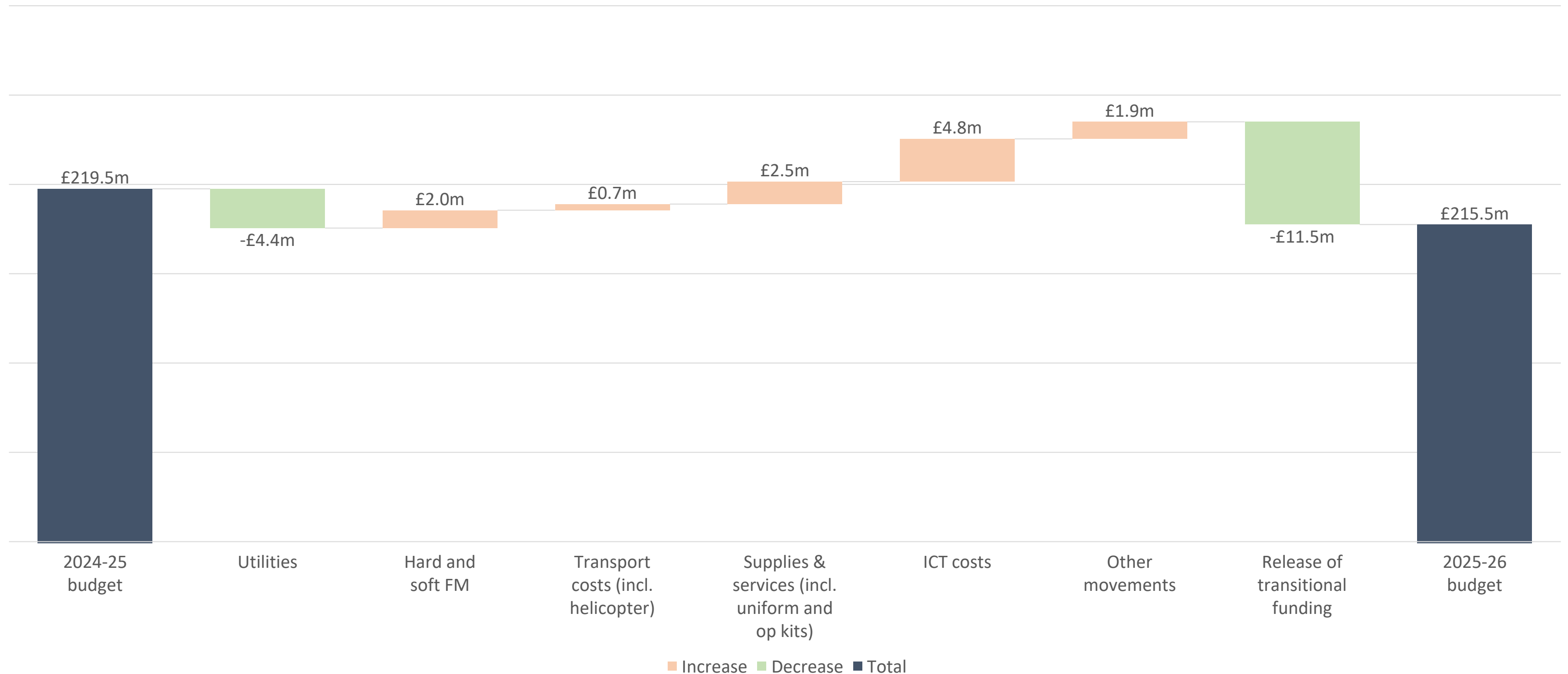
The non-pay budget has increased by £7.5m, prior to the release of transitional funding and unallocated savings. The increase is mainly due to inflationary pressures, new contract costs, transformation impact and changes in volume.

The main factors for the increase in the non-pay budget are ICT costs (impact of transformation, inflation), helicopter costs, operational kits and other third-party payments. This has been partially offset by a reduction in premises costs.

Transitional funding (the non-recurring benefit from reduced employer superannuation contributions) of £11.5m has been transferred to staff pay costs to support increased workforce costs in 2025-26.

Non-pay budget (continued)

The chart below shows the key variances of the proposed non-pay budget for 2025-26 compared to 2024-25.



* ICT costs include impact of investment.

Income budget

The below table shows the proposed income budget for 2025-26 compared to 2024-25.

| Income budget | 2024-25 budget* | 2025-26 budget* | Movement | |
|--------------------------------------|-----------------|-----------------|--------------|---------------|
| | £m | £m | £m | % |
| Specific grant funding | (8.4) | (9.1) | (0.7) | (8.3%) |
| Funded officers and staff (incl. LA) | (5.4) | (4.6) | 0.8 | 14.8% |
| Public fees | (4.7) | (6.3) | (1.6) | (34.0%) |
| Rental and hire | (7.4) | (7.4) | 0.0 | 0.0% |
| Mutual aid | (0.5) | (0.6) | (0.1) | (20.0%) |
| Services of police | (12.8) | (13.8) | (1.0) | (7.8%) |
| Seconded officers | (0.8) | (1.0) | (0.2) | (25.0%) |
| Other income | (4.5) | (5.1) | (0.6) | (13.3%) |
| Total | (44.5) | (47.9) | (3.4) | (7.6%) |

The income budget reduces the overall cost of the organisation. It details the income we expect to receive in year through funding, cost recovery (service of police rates, mutual aid) and through fees.

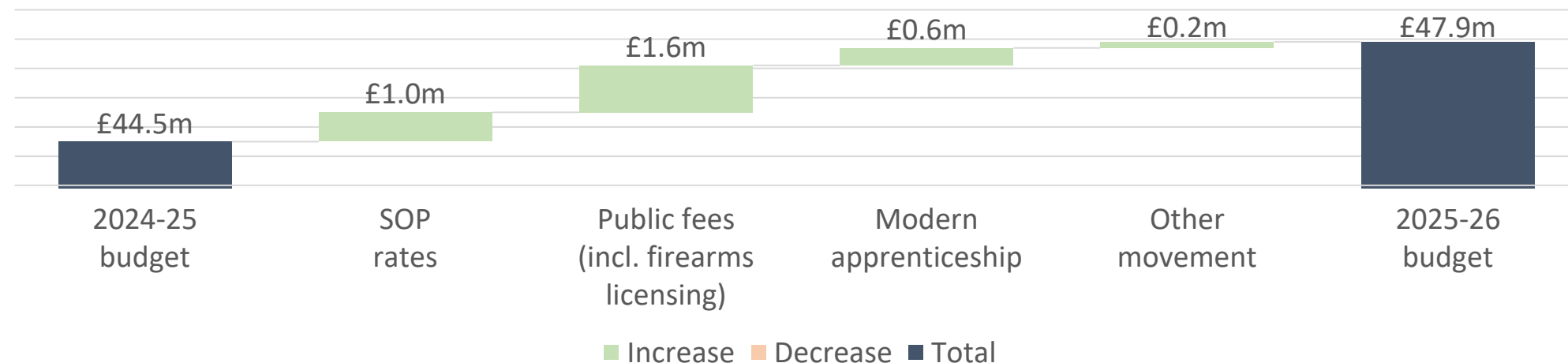
Income budgets have increased by £3.4m from £44.5m to £47.9m as part of the budget setting process.

The increase in income is mainly due to changes to firearms licensing rates, an increase in service of police rates and expected modern apprenticeship income. This has been partially offset by a reduction in funding.

In line with previous years, additional income has been built into the budget based on previous trends. For 2025-26 the income challenge is £2.7m.

Of the £47.9m income budget, £0.2m relates to SPA Corporate and Forensic Services.

A risk remains regarding the potential reduction in grant funding as other organisations set future year budgets.



* Includes baseline adjustment of £310k.

Forensic Services and SPA Corporate budget

Forensic Services and SPA Corporate follow the same budgeting process as Police Scotland including key pay assumptions. The table below shows the proposed budgets for each area for 2025-26 compared to 2024-25.

| Forensic Services and SPA Corporate | Forensic Services | | | | SPA Corporate | | | |
|-------------------------------------|-------------------|----------------|------------|-------------|----------------|----------------|------------|-------------|
| | 2024-25 budget | 2025-26 budget | Movement | | 2024-25 budget | 2025-26 budget | Movement | |
| | £m | £m | £m | % | £m | £m | £m | % |
| Staff costs | 38.5 | 41.3 | 2.8 | 7.3% | 3.7 | 3.9 | 0.2 | 5.4% |
| Other employee costs | 0.2 | 0.2 | 0.0 | 0.0% | 0.1 | 0.1 | 0.0 | 0.0% |
| Premises costs | 0.1 | 0.1 | 0.0 | 0.0% | 1.4 | 0.2 | (1.2) | (85.7%) |
| Transport costs | 0.2 | 0.2 | 0.0 | 0.0% | 0.0 | 0.0 | 0.0 | 0.0% |
| Supplies and Services | 3.6 | 4.1 | 0.5 | 13.9% | 0.1 | 0.1 | 0.0 | 0.0% |
| ICT costs | 0.6 | 0.7 | 0.1 | 16.7% | 0.0 | 0.0 | 0.0 | 0.0% |
| Administration costs | 0.1 | 0.1 | 0.0 | 0.0% | 0.8 | 0.8 | 0.0 | 0.0% |
| Third party payments | 0.8 | 0.8 | 0.0 | 0.0% | 0.5 | 0.5 | 0.0 | 0.0% |
| Income | (0.1) | (0.1) | 0.0 | 0.0% | (1.1) | (0.1) | 1.0 | (90.9%) |
| Total | 44.0 | 47.4 | 3.4 | 7.7% | 5.5 | 5.5 | 0.0 | 0.0% |

Forensic Services The overall budget increase is mainly due to pay assumptions including the additional cost of the pay award agreed for 2024-25 (£0.7m), the pay award for 2025-26 and the increase in employers' national insurance contributions. Other non-pay pressures are mainly related to operational kits used by the service in testing.

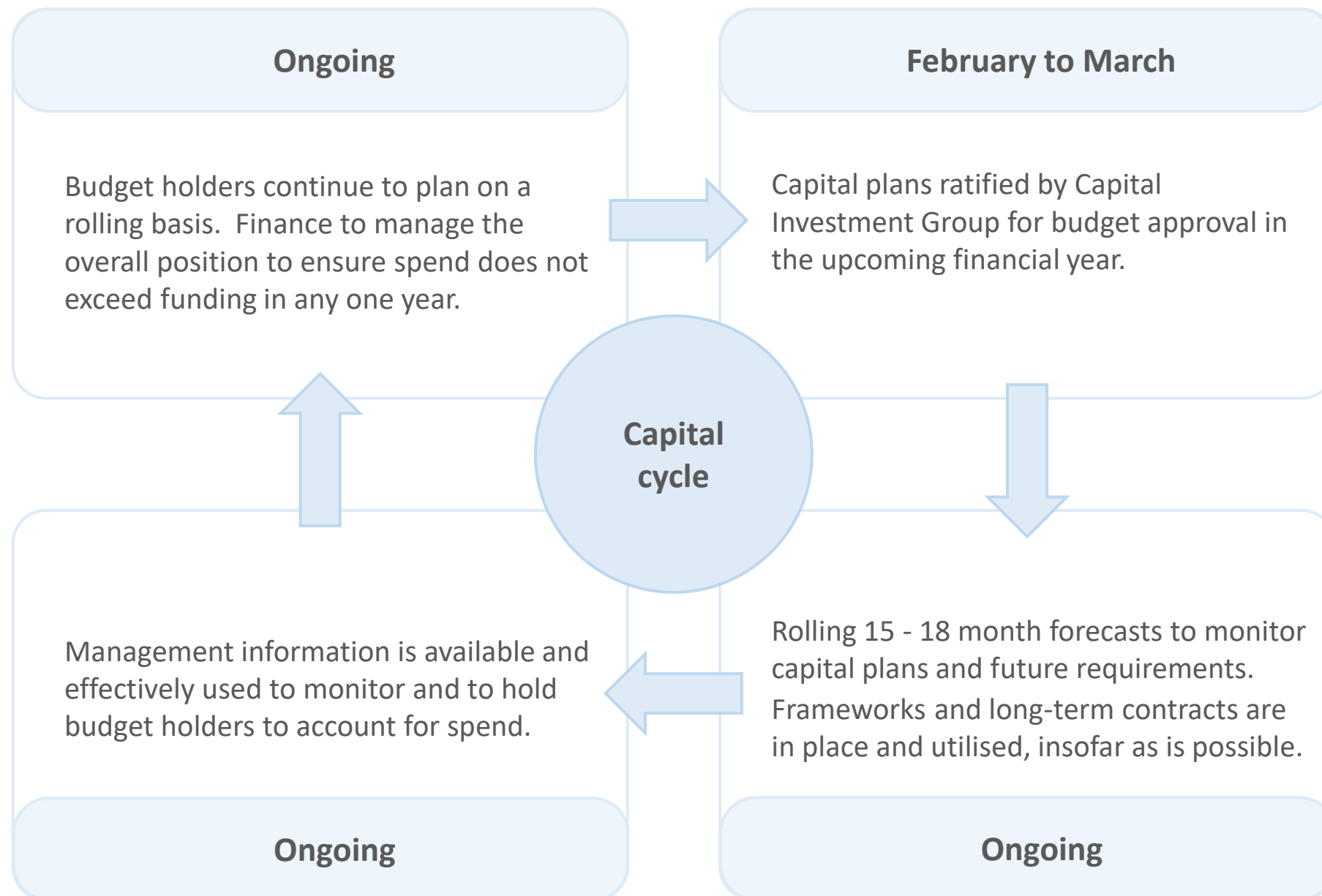
SPA Corporate The overall budget has remained flat. There are similar staff cost increases related to pay assumptions and employer national insurance increase. This is offset by net non-pay and income savings mainly due to the planned SPA office move. This move will provide a recurring revenue budget saving for the service of circa £300k per annum.

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Capital and reform

The capital cycle

The diagram below outlines the optimal capital cycle.
This approach attempts to break the cycle of backloaded capital spend and support long term capital planning.



Detailed capital plans have been developed for 2025-26 to outline the key activities and milestones for each area of capital spend.

These plans will be closely monitored by Finance, Business areas and Capital Investment Group during the year, with actions to be taken as appropriate.

Each business area has responsibility for delivering their plans with support from enabling functions.

Business areas must move away from an annual capital approach and move towards a 5-year capital delivery plan. Detailed planning will commence in the Spring.

Specialist functions will continue to work collaboratively with budget holders, providing additional support where required.

The finance team will manage the corporate position to ensure expenditure is within the funding envelope within any given financial year.

Resource requirements have been considered as part of the detailed planning work.

Processes will be regularly reviewed to ensure continuous improvement and to support business requirements.

2025-26 Capital budget

The table below presents the 2025-26 budget for capital rolling replacement and change. When compared to the £71.0m of capital funding, there is £15.9m of over programming to be managed during the financial year.

| Capital budget | Capital £m |
|---|---------------|
| Estates | 29.4 |
| Fleet (2025-26) | 10.7 |
| Fleet (2026-27) | 6.1 |
| Digital Division - Rolling Replacement | 14.7 |
| Digital Division - Airwave | 5.0 |
| Crime & CJSD | 4.8 |
| Local Policing & OSD | 4.1 |
| LTD | 0.1 |
| Forensic Services BAU | 2.7 |
| Change capital | 9.3 |
| Total capital budget | 86.9 |
| Overprogramming | (15.9) |
| Total capital budget (excl. overprogramming) | 71.0 |
| Funding allocation: | |
| Capital grant | (70.0) |
| Capital receipts | (1.0) |
| Total capital funding | (71.0) |

£29.4m of capital funding to commence the delivery of the estates master plan.

£48.2m to support the rolling replacement programme across fleet and digital, and the replacement of essential kit and equipment.

£9.3m of capital to support change and transformation (details on page 19).

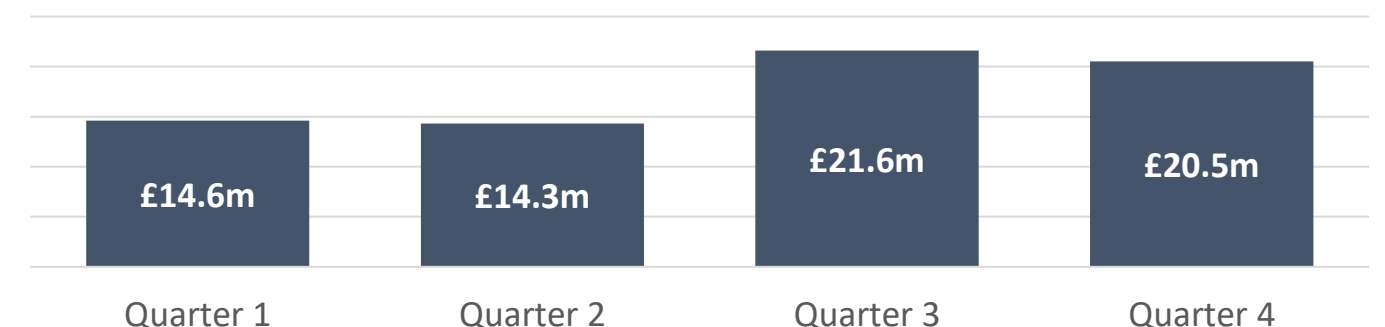
Some of this capital spend may be accelerated into 2024-25 in which case, the budgets will be re-baselined through the 2025-26 Q1 forecast.

£1.0m of capital receipts included to supplement grant-in-aid funding.

It is recognised that additional resources are required in key enabling functions to support and deliver an increased capital programme.

The staff capitalisation policy will be reviewed in-year and costs will be reallocated as appropriate.

2025-26 capital phasing



2025-26 Change and Transformation

The table below presents the 2025-26 reform budget for change and transformation. When compared to the £20.3 reform funding, there is £16.2m of over programming to be managed during the financial year.

| Reform budget | Capital | Reform | |
|---|------------|---------------|--|
| | £m | £m | |
| Digitally Enabled Policing | 3.1 | 2.0 | £9.3m of capital funding to support change and transformation. |
| Modernised Contact & Engagement | 2.0 | 2.5 | |
| Public Protection Legislative Change | 0.7 | 0.2 | £20.3m of revenue funding is available to support change and transformation. |
| Digital Division programme | 0.6 | 1.5 | |
| Cyber Security programme | - | 2.8 | Of the reform budget, £15.6m relates to pay costs and funds ~233.5 FTE. |
| Forensic Services | 0.3 | 1.6 | |
| Data Drives Digital | 0.5 | 2.0 | Budget includes £16.2m of overprogramming to be managed in year as the work progresses on the prioritisation of change. |
| Policing in a Digital World | 1.7 | 4.0 | |
| Enabling Policing for the Future | 0.2 | 7.5 | The staff capitalisation policy will be reviewed in-year and costs will be reallocated as appropriate. |
| Local Policing programme | - | 0.9 | |
| P&D programme | - | 1.2 | £4.7m of designated reform budget relating to staff costs has been transferred to revenue from 2025-26 onwards. This represents ~82.2 FTE. |
| Other projects / other resources | 0.2 | 5.5 | |
| Estates Transformation (reform only) | - | 4.8 | |
| Total change capital & reform budget | 9.3 | 36.5 | |
| Overprogramming | - | (16.2) | |
| Total change capital & reform budget (excl. overprogramming) | 9.3 | 20.3 | |
| Total reform funding (designated from revenue) | | (20.3) | |

Risks, threats and opportunities

Financial challenges and risks

Policing faces **significant financial challenges**, exacerbated with **increasing demand** and **acute operational pressures**. The below are the **core financial risks** that could materially impact the policing budget in the future.

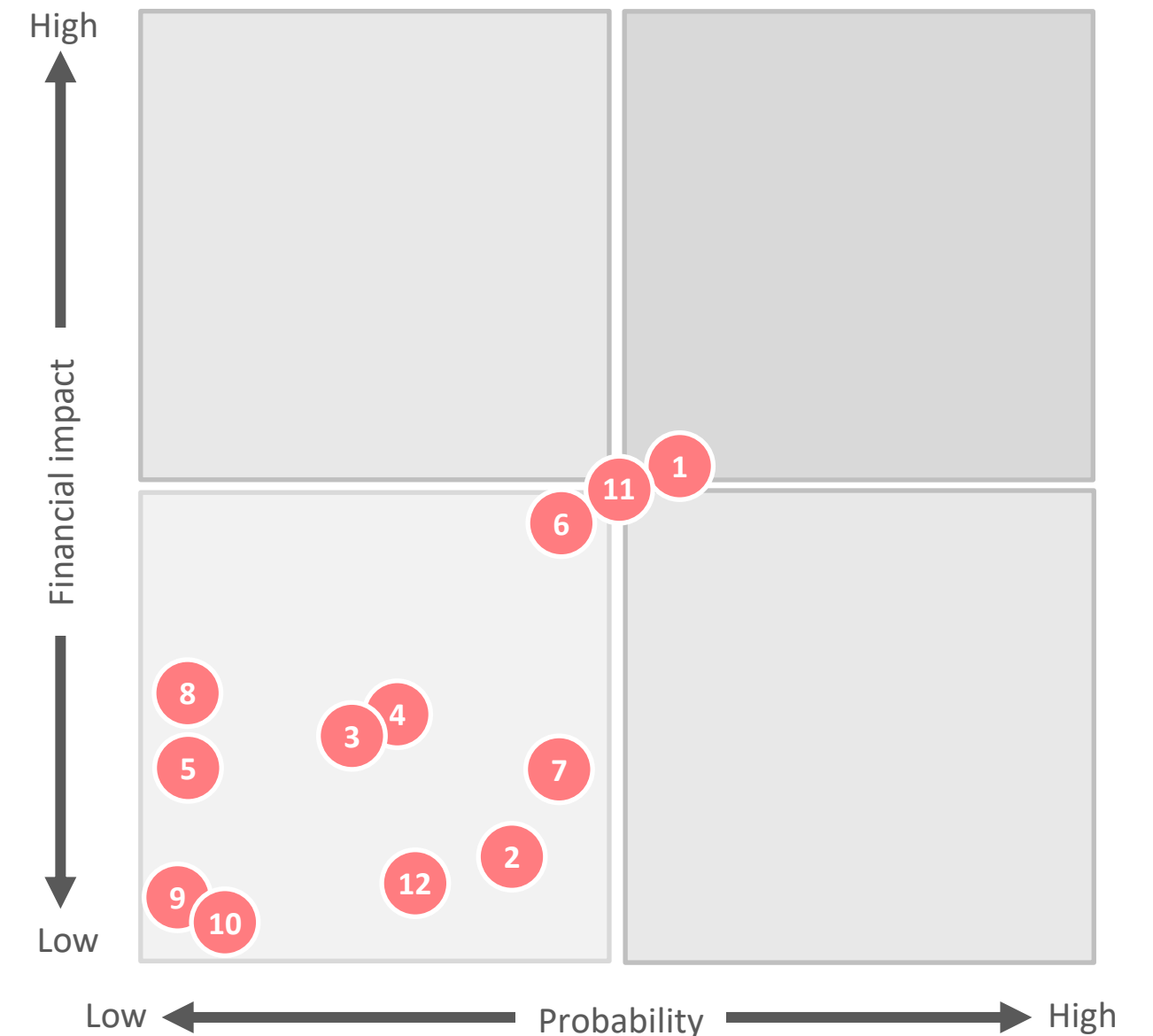
| Risk | Description | RAG |
|---------------------------------------|--|-----|
| Funding model | The funding model for Scottish Policing continues to present a challenge in terms of future business and financial planning. Police Scotland seeks to establish more appropriate funding arrangements, moving to multi-year funding allocations, the exercise of statutory borrowing powers to support capital investment and the establishment of a facility to enable the carry forward of financial reserves, similar to that in place before the creation of Police Scotland. A Scottish Government Resource and Capital Spending Review is due to be published during the course of the financial year. | |
| Public sector pay | Pay award continues to be the largest year-on-year cost pressure on the policing budget. Scottish Government Public Sector Pay Policy was published alongside their draft budget, and an evidence-based assessment has been undertaken as part of our budget development. | |
| Public Inquiries | Police Scotland has been involved in a number of high-profile public inquiries in recent years which have had significant legal and administrative costs, redirecting both financial and human resources away from other critical areas of policing. The costs of recent inquiries are significantly higher than before and there is further demand in the pipeline. | |
| Legislation and policy changes | The pace of new legislation is placing a significant burden on Police Scotland. Historically the service has absorbed the impact of legislation changes such as Age of Criminality Responsibility and Hate Crime. However, the operational and financial implications of the upcoming legislation changes are significantly higher than we are able to absorb within our BAU activity eg Police (Ethics, Conduct and Scrutiny) (Scotland) Bill and Domestic Abuse (Protection) (Scotland) Bill. | |
| Non-recent investigations | Investigating non-recent crimes has significant operational and financial implications due to the complexities of the cases and the resource demands of setting up a dedicated team, as well as potential legal costs. Recent and ongoing investigations include the review of covid deaths in care homes, indecent assaults and murder investigations. | |
| Increasing demands | The public sector funding context remains challenging at the same time whilst demands on policing continue to grow. The significant shift in demand towards cyber and online crime due to the acceleration in technological changes has and will continue to create vulnerabilities that policing will need to react to quickly. | |

Financial threats and opportunities – budgeting assumptions

The below chart summarises the key financial threats and opportunities that could result in a material change to the current 2025-26 budget build. The threats and opportunities listed will be monitored throughout the next financial year and reflected in the forecast outturn appropriately.

Financial threats

1. Workforce - pay assumptions have been made with regards to pay award, headcount, attrition, T&C's.
2. Overtime may be affected by operational requirements or potential unforeseen events.
3. Non-pay – potential changes such as negotiations ongoing with various suppliers and the impact of national insurance changes on suppliers may impact non-pay.
4. Demand led areas (eg ill health, injury on duty, legal) – budget has been set based on assumptions around demand and volume however costs may vary compared to budget available based on actual demand in year.
5. Income – assumptions regarding partner funding, plus income challenge based previous trends.
6. Savings and efficiencies – Succession and vacancy management savings been applied to the workforce budget to be managed in-year. £9.3m of efficiencies have also been built into non-pay budgets.
7. Capital – significant increase in funding for 2025-26, this will require additional support to deliver.
8. Legislation – no provision for Police (Ethics, Conduct and Scrutiny) (Scotland) Bill or Domestic Abuse (Protection) (Scotland) Bill - assumed this will be fully funded through SBR / ABR where appropriate.
9. Commonwealth Games – not included in budget as funding discussions are ongoing. The base planning assumption is no financial gain or detriment on the policing budget.
10. USA Presidential Visit – expectation this will be fully funded by UK Government.
11. External factors – factors outwith the organisations control such as political and environmental issues could have an impact on overall expenditure.
12. Forensic toxicology - budget assumes demand level delivered internally and outsourced based on agreed MOU. Any demand above this will create operational and financial pressures.





Finance

Schedule of Rates for Events and Other Services – 2025-26

Appendix B
March 2025

OFFICIAL



Schedule of Rates for Events and Other Services

The Police and Fire Reform (Scotland) Act 2012 (sections 86 and 87), the Scottish Police Authority (Provision of Goods and Services) Order 2013 and other supporting legislation enables the Scottish Police Authority to both provide and charge for goods and services.

At its meeting on 26 August 2013, the SPA Finance and Investment Committee approved a policy of full cost recovery in relation to charging for events and other services where the charges are not already set by statute. The policy is in line with the requirements of the SPFM. This slide and the next set out the outcome of the annual review of the schedule of rates in line with the budget setting cycle and to ensure that full cost recovery is maintained. The charge out rates have been calculated using the methodology set out in the NPCCs guidelines on Charging for Police Services. As such, the basis of the SPA's charges is similar to other UK Forces and is also in line with the full cost recovery model as required in the Police and Fire Reform (Scotland) Act 2012. The charge out rates have been increased for 2025-26 in line with the budgeting assumptions presented in Appendix A. The previous rates and proposed rates are summarised in the tables and are rounded to the nearest £0.50. Note these rates are exclusive of VAT. The revised charge out rates are effective from 1 April 2025.

| Police officer | Rate from 01-Apr-24 | Rate from 01-Apr-25 | % increase | Police staff | Rate from 01-Apr-24 | Rate from 01-Apr-25 | % increase |
|----------------------|---------------------|---------------------|------------|--------------|---------------------|---------------------|------------|
| Chief Superintendent | £134.00 | £141.50 | 5.6% | Grade 11 | £89.00 | £94.50 | 6.2% |
| Superintendent | £119.00 | £125.50 | 5.5% | Grade 10 | £79.50 | £85.00 | 6.9% |
| Chief Inspector | £94.00 | £99.50 | 5.9% | Grade 9 | £68.50 | £73.00 | 6.6% |
| Inspector | £88.00 | £93.00 | 5.7% | Grade 8 | £59.50 | £63.50 | 6.7% |
| Sergeant | £93.00 | £98.00 | 5.4% | Grade 7 | £53.00 | £56.50 | 6.6% |
| Constable | £79.50 | £84.00 | 5.7% | Grade 6 | £62.50 | £66.50 | 6.4% |
| Special Constable | £32.00 | £33.50 | 4.7% | Grade 5 | £55.50 | £59.00 | 6.3% |
| | | | | Grade 4 | £48.00 | £51.00 | 6.3% |
| | | | | Grade 3 | £44.00 | £47.00 | 6.8% |
| | | | | Grade 2 | £40.50 | £43.50 | 7.4% |
| | | | | Grade 1 | £36.50 | £39.50 | 8.2% |

Schedule of Rates: other non-statutory services

Any changes to fees which are set by statute will be applied as they occur. The charges for other non-statutory services are proposed to be uplifted in line with the NPCC guidance and the Consumer Price Index (CPI).

When calculating the rates for 2025, the October 2024 CPI measure of 2.3% has been used, as published by the Office for National Statistics. These charges are shown in the table.

The revised charge out rates are effective from 1 April 2025.

| ITEM | Charge |
|--|---------|
| Supply of Accident Reports | £128.50 |
| Search Fee (where the police have no information) | £128.50 |
| Interview (after copy of accident report has been applied) | £210.50 |
| <u>Supply of Photographs:</u> | |
| per Print | £9.50 |
| per Photocopy | £6.50 |
| CD – per disk | £28.50 |
| <u>Supply of video / DVD:</u> | |
| ½ hour video / DVD | £97.50 |
| 1 hour video / DVD | £140.00 |
| 3 hour video / DVD | £304.00 |
| Supply of information about thefts, house breaking and occurrences | £128.50 |
| Crash Investigator Accident Report | £606.00 |
| Scale Plan (A3) | £168.00 |
| Scale Plan (A1) | £335.50 |
| 3D construction + preparation time | £837.50 |
| Alarm Registration (incl. VAT) | £62.00 |
| Supply of Plans – charges will depend on the type of service provided and equipment used | |