



<b>Meeting</b>	<b>SPA Resources Committee</b>
<b>Date</b>	<b>19 June 2024</b>
<b>Location</b>	<b>Video Conference</b>
<b>Title of Paper</b>	<b>Period 1 Financial Monitoring Report</b>
<b>Presented By</b>	<b>Lynn Brown, Head of Corporate Finance</b>
<b>Recommendation to Members</b>	<b>For discussion</b>
<b>Appendix Attached</b>	<b>Yes: Appendix A – Period 1 Finance Report</b>

## PURPOSE

The purpose of this report is to provide Members with an update on the financial position of the SPA and Police Scotland for period 1 of the financial year 2024/25.

Members are invited to discuss the contents of the report and appendix.

## 1. BACKGROUND

- 1.1 The Board approved the 2024-25 annual budget on 21 March 2024. This budget set out the spending plans for Police Scotland, Forensic Services and SPA Corporate regarding revenue, capital, and reform for FY 2024-25.
- 1.2 The Authority received a core revenue funding increase of £75.7m (5.6%), £18.4m of which was required to meet the additional cost of the 2023-24 pay award.
- 1.3 Anticipated cost pressures (premises costs, new technology, ill health retirements, injury pensions), inflationary pressures and assumptions for 2024-25 pay have been included within the budget build. The budget report highlighted the key budgeting assumptions that are sensitive to change, and which could result in a pressure or opportunity against the 2024/25 budget. The overall financial position will be monitored throughout the year.
- 1.4 The budget allocation for 2024-25 includes a core budget for a maximum of 16,600 officers (plus externally funded additionality e.g. Local Authorities) and police staff at 2023-24 budgeted levels. A 3.7% reduction was applied to the 2023-24 budget however, this was not achieved and is now being delivered in 2024-25 through a voluntary redundancy and voluntary early retirement (VR/VER) programme. There is sufficient flexibility in the budget to make amendments to workforce mix if required.
- 1.5 A change in the employer pension contribution rates payable has resulted in a short-term benefit for the organisation. As this will be non-recurring and cannot be used to fund ongoing pressures this will be utilised to fund VR/VER exit packages.
- 1.6 Capital funding of £66.1m (including capital receipts and IFRS 16 adjustments) has been confirmed for 2024-25, representing an uplift of £11.7m (22.1%). While the capital settlement is an improvement on the flat cash of the previous year, it is less than requested through the budget proposal submitted to Scottish Government and as such an element of prioritisation has had to take place. Capital receipts estimates will be updated when future disposal plans are confirmed following public consultation.
- 1.7 Similar to previous years, £25.0m has been ring-fenced to support reform and transformation.

- 1.8 Capital and reform allocations have been made in line with the Chief Constables priorities of service delivery against areas of greatest threat, risk and harm, strong investment in digital capabilities, focus on change that most benefit our communities and people and spend to save initiatives.

## **2. FURTHER DETAIL ON THE REPORT TOPIC**

- 2.1 The Head of Finance provides the routine finance report which outlines the year to date and forecast position for the revenue, capital, and reform budgets.
- 2.2 Appendix A provides the detailed period 1 (P1) finance report.

### **Revenue**

- The year-to-date position against budget shows an underspend of £1.2m made up of a mixture of timing and real variances.
- Potential risks continued to be reviewed with regards to opportunities and threats, some of which may crystallise in the Q1 forecast.

### **Capital**

- The year-to-date capital spend at P1 is under budget by £1.6m; mainly due to estates slippage for sub-contractors not ready to commence (£0.4m) and delays in house asset purchased and Vigilant work starting (£0.6m); and underspend in Weaponry (£0.6m) due to tasers expected to be delivered in April delayed until May.
- Committed and uncommitted spend will continue to be monitored throughout the year and tracking of these is highlighted in Appendix A.
- The capital budget requires £6.5m of slippage to be managed down over the financial year.

### **Reform**

- The year-to-date reform spend at P1 is in line with budget.
- Committed and uncommitted spend will continue to be monitored throughout the year and tracking of these is highlighted in Appendix A.

- The reform budget requires £5.5m of slippage to be managed down over the financial year.

### **3. FINANCIAL IMPLICATIONS**

3.1 The financial implications are set out in detail within the report.

### **4. PERSONNEL IMPLICATIONS**

4.1 There are no personnel implications in this report.

### **5. LEGAL IMPLICATIONS**

5.1 There are no legal implications in this report.

### **6. REPUTATIONAL IMPLICATIONS**

6.1 Failure to maximise funding or control costs may lead to operational or financial consequences likely to harm the reputation of Police Scotland and the SPA.

### **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 the contents of the report and appendix.



**POLICE**  
**SCOTLAND**  
POILEAS ALBA

SCOTTISH POLICE  
**AUTHORITY**

**Finance**

Corporate Finance team

# Appendix A

# Finance report

## Period 1 2024/25



# Finance dashboard

P1 2024/25

Year to April 2024

**Revenue**

G		
Apr	May	Q1

- YTD £1.2m under budget

**Capital**

G		
Apr	May	Q1

- YTD £1.6m under budget

**Reform**

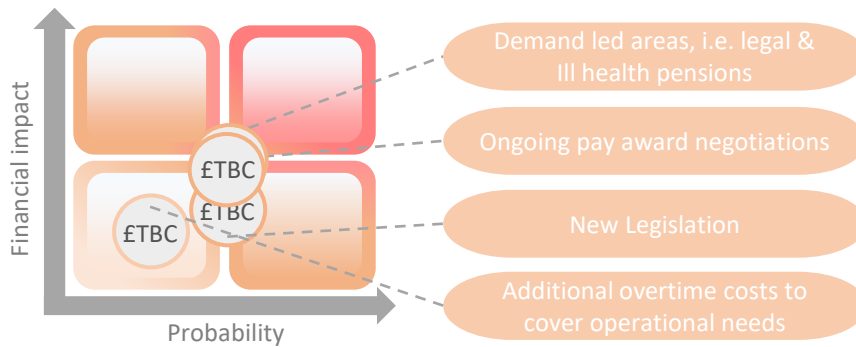
G		
Apr	May	Q1

- YTD in line with budget

## Revenue variance (£m)

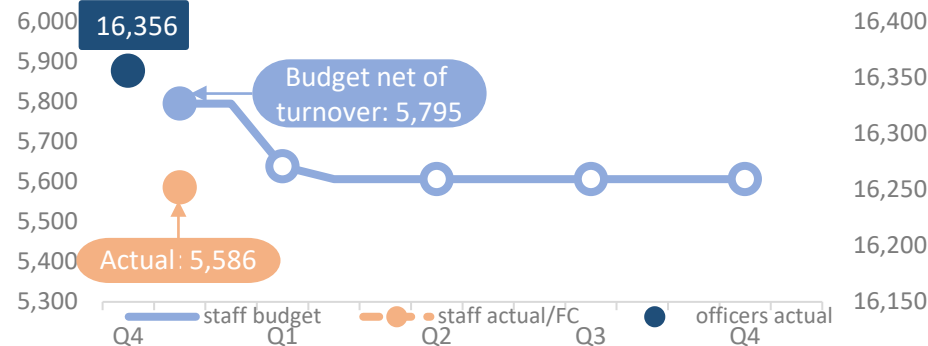
	YTD actual v budget	FY FC v Budget
Police Scotland	1.3	0.0
Forensic Services	-0.2	0.0
SPA corporate	0.1	0.0
<b>Total</b>	<b>1.2</b>	<b>0.0</b>

## Threats

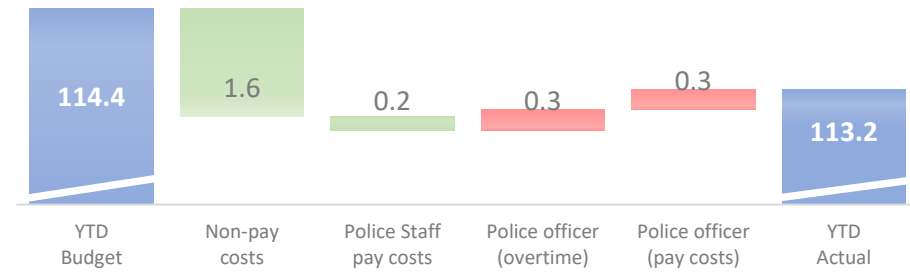


## People numbers (FTE) – Revenue Budget

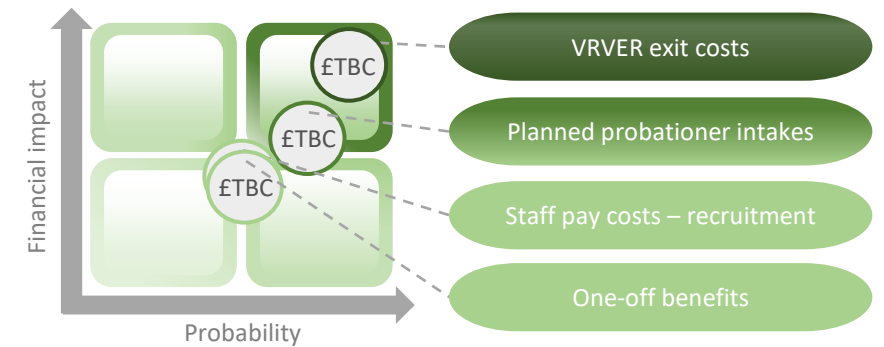
Staff headcount currently running under budgeting assumptions at P1



## Revenue: YTD actual costs £1.2m lower than budget

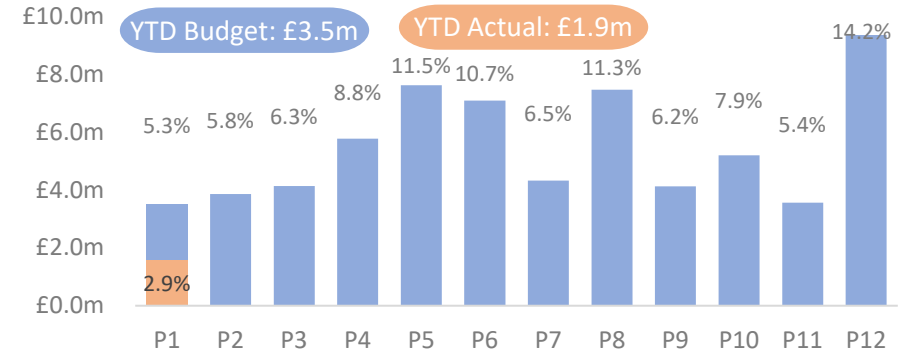


## Opportunities



## Capital (£m)

Actual YTD spend running under budget at P1



OFFICIAL

# Revenue

(service area)

Budget deliverability status is green

Ahead of Q1 FC, FY forecast is shown in line with FY budget

## YTD position against budget

- The year-to-date position against budget shows an underspend of £1.2m made up of a mixture of timing and real variances.
- Potential risks continued to be reviewed with regards to opportunities and threats, some of which may crystallise in the Q1 forecast.

## Detailed revenue variance (£m)

	Year to date			Full year		
	Budget £m	Actual £m	Var. £m	Budget £m	FC £m	Var. £m
Police Scotland	110.4	109.1	1.3	1,344.2	1,344.2	0.0
Forensic Services	3.6	3.8	(0.2)	44.0	44.0	0.0
SPA Corporate	0.4	0.3	0.1	5.5	5.5	0.0
<b>Total</b>	<b>114.4</b>	<b>113.2</b>	<b>1.2</b>	<b>1,393.7</b>	<b>1,393.7</b>	<b>0.0</b>
<b>Funding</b>						
GiA - core				1,393.7	1,393.7	0.0

## Revenue variance by spend type – YTD actual v budget (£m)

	Year to date				Full year			
	Budget £m	Actual £m	Var. £m	%	Budget £m	FC £m	Var. £m	%
Police officers	76.4	77.0	(0.6)	(0.8%)	929.8	929.8	0.0	0.0%
Police staff	24.4	24.2	0.2	0.8%	289.2	289.2	0.0	0.0%
Non-pay	17.1	15.5	1.6	9.4%	219.5	219.5	0.0	0.0%
Income	(3.5)	(3.5)	0.0	0.0%	(44.8)	(44.8)	0.0	0.0%
<b>Total</b>	<b>114.4</b>	<b>113.2</b>	<b>1.2</b>	<b>1.0%</b>	<b>1,393.7</b>	<b>1,393.7</b>	<b>0.0</b>	<b>0.0%</b>

# Revenue

(spend type)

## Police officers variance by spend type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	Var. %	Bud £m	FC £m	Var. £m	Var. %
Police officer pay	72.1	72.4	(0.3)	(0.4%)	873.0	873.0	0.0	0.0%
Overtime - core	1.2	1.5	(0.3)	(25.0%)	22.0	22.0	0.0	0.0%
Overtime – non-core	0.2	0.2	0.0	0.0%	3.3	3.3	0.0	0.0%
Allowances	0.4	0.4	0.0	0.0%	5.3	5.3	0.0	0.0%
Pensions	2.5	2.5	0.0	0.0%	26.2	26.2	0.0	0.0%
<b>Total</b>	<b>76.4</b>	<b>77.0</b>	<b>(0.6)</b>	<b>(0.8%)</b>	<b>929.8</b>	<b>929.8</b>	<b>0.0</b>	<b>0.0%</b>

## Police staff variance by spend type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	Var. %	Bud £m	FC £m	Var. £m	Var. %
Staff pay and allowances	24.1	23.9	0.2	0.8%	285.3	285.3	0.0	0.0%
Overtime	0.3	0.3	0.0	0.0%	3.6	3.6	0.0	0.0%
Special constables	0.0	0.0	0.0	0.0%	0.3	0.3	0.0	0.0%
<b>Total</b>	<b>24.4</b>	<b>24.2</b>	<b>0.2</b>	<b>0.8%</b>	<b>289.2</b>	<b>289.2</b>	<b>0.0</b>	<b>0.0%</b>

## Police officer costs

- Police officers - YTD overspend against budget; core overtime (£0.3m) in DCCLP and police officer pay costs (£0.3m).

## Police staff costs

- Police staff - YTD underspend relates to FTE running lower than budgeted assumptions.



# Revenue

(spend type)

## Non-pay variance by spend type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	FC £m	Var. £m	%
Other employee	0.4	0.3	0.1	25.0%	21.1	21.1	0.0	0.0%
Premises	6.0	5.6	0.4	6.7%	72.7	72.7	0.0	0.0%
Transport	1.6	1.4	0.2	12.5%	19.4	19.4	0.0	0.0%
Supplies & Services	3.3	3.1	0.2	6.1%	39.7	39.7	0.0	0.0%
ICT	3.1	2.9	0.2	6.5%	37.2	37.2	0.0	0.0%
Administration	1.1	0.9	0.2	18.2%	10.4	10.4	0.0	0.0%
Third party payments	1.3	1.0	0.3	23.1%	15.6	15.6	0.0	0.0%
Other costs	0.3	0.3	0.0	0.0%	3.4	3.4	0.0	0.0%
<b>Total</b>	<b>17.1</b>	<b>15.5</b>	<b>1.6</b>	<b>9.4%</b>	<b>219.5</b>	<b>219.5</b>	<b>0.0</b>	<b>0.0%</b>

## Income variance by type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	FC £m	Var. £m	%
Specific grant funding	(0.7)	(0.5)	(0.2)	(28.6%)	(8.4)	(8.4)	0.0	0.0%
Funded officers and staff	(0.4)	(0.5)	0.1	25.0%	(5.4)	(5.4)	0.0	0.0%
Public fees	(0.4)	(0.4)	0.0	0.0%	(4.7)	(4.7)	0.0	0.0%
Rental and hire	(0.6)	(0.6)	0.0	0.0%	(7.4)	(7.4)	0.0	0.0%
Mutual aid	(0.0)	(0.0)	0.0	0.0%	(0.5)	(0.5)	0.0	0.0%
Services of police	(0.9)	(0.9)	0.0	0.0%	(12.8)	(12.8)	0.0	0.0%
Seconded officers	(0.1)	(0.1)	0.0	0.0%	(1.1)	(1.1)	0.0	0.0%
Other income	(0.4)	(0.5)	0.1	25.0%	(4.5)	(4.5)	0.0	0.0%
<b>Total</b>	<b>(3.5)</b>	<b>(3.5)</b>	<b>0.0</b>	<b>0.0%</b>	<b>(44.8)</b>	<b>(44.8)</b>	<b>0.0</b>	<b>0.0%</b>

## Non-pay

- YTD position against budget - underspend relates to a mixture of timing and real variances; estate related costs (£0.4m), third party payments (£0.3m), transport costs (£0.2m), supplies & services (£0.2m), ICT costs (£0.2m), administration costs (£0.2m) and other costs (£0.1m).

## Income

- Over-recovery of funded officers and staff (£0.1m) and other income (£0.1m) offset by under-recovery of specific grant funding (£0.2m).

OFFICIAL

# Revenue

## (further business area detail)

Where YTD variances exist, these are being monitored and may crystallise in the Q1 forecast.

### DCC Local Policing

- Overspend in officer overtime (£0.3m) offset by underspends in staff costs (£0.1m) and supplies & services (£0.1m) and an over-recovery of income (£0.1m).

	£m	FTE
Budget	11.8	2,619.6
Actual	11.8	2,555.6
<b>YTD variance</b>	<b>0.0</b>	<b>64.0</b>
<i>FY FC v budget</i>	<i>0.0</i>	<i>0.0</i>

### DCC Crime & Op Support

- Underspends in staff costs (£0.2m), officer overtime (£0.1m), supplies & services (£0.2m) and other non-pay costs (£0.1m) offset by under-recovery of income (£0.1m).

	£m	FTE
Budget	4.5	774.7
Actual	4.0	727.3
<b>YTD variance</b>	<b>0.5</b>	<b>47.4</b>
<i>FY FC v budget</i>	<i>0.0</i>	<i>0.0</i>

### DCC Professionalism, Strategy and Engagement

- Underspends relate to liability claims (£0.2m), external legal costs (£0.1m) and staff costs (£0.1m) offset by other costs (£0.1m).

	£m	FTE
Budget	3.5	540.8
Actual	3.2	524.7
<b>YTD variance</b>	<b>0.3</b>	<b>16.1</b>
<i>FY FC v budget</i>	<i>0.0</i>	<i>0.0</i>

### Deputy Chief Officer

- Underspends in estate costs (£0.5m), transport related costs (£0.2m), ill health pensions (£0.2m), IT costs (£0.2m), police staff costs (£0.2m) and other items (£0.1m).

	£m	FTE
Budget	16.0	1,194.2
Actual	14.6	1,132.2
<b>YTD variance</b>	<b>1.4</b>	<b>62.0</b>
<i>FY FC v budget</i>	<i>0.0</i>	<i>0.0</i>

### Corporate centre

- Overspends in police staff costs (£0.4m) relating to budgeting assumptions achieved by the divisions and SBR funded posts, police officer's admin charges costs (£0.3m), officer pensions (£0.1m) and other costs (£0.1m).

	£m	FTE
Budget	74.6	16,395.7
Actual	75.5	16,382.2
<b>YTD variance</b>	<b>(0.9)</b>	<b>13.5</b>
<i>FY FC v budget</i>	<i>0.0</i>	<i>0.0</i>

### Forensics services & SPA corporate

- Forensic Services (£0.2m over) - relates to staff costs (£0.1m) and other non-pay costs (£0.1m).
- SPA Corporate (£0.1m under) - no material variances.

	£m	FTE
Budget	4.0	647.3
Actual	4.1	619.3
<b>YTD variance</b>	<b>(0.1)</b>	<b>28.0</b>
<i>FY FC v budget</i>	<i>0.0</i>	<i>0.0</i>

1 16,382.2 FTE is made up of Police officer numbers 16,355.7 FTE as per last externally reported quarter end 31 March 2024 and 26.5 FTE for police staff supernumerary.

# Capital

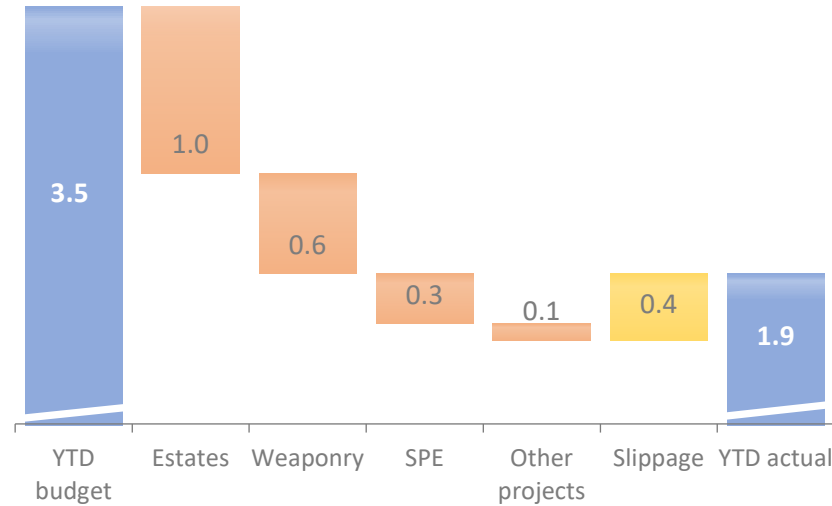
Budget deliverability status is green

Year to date under budget by £1.6m, mainly items below.

Estates underspend £1.0m:

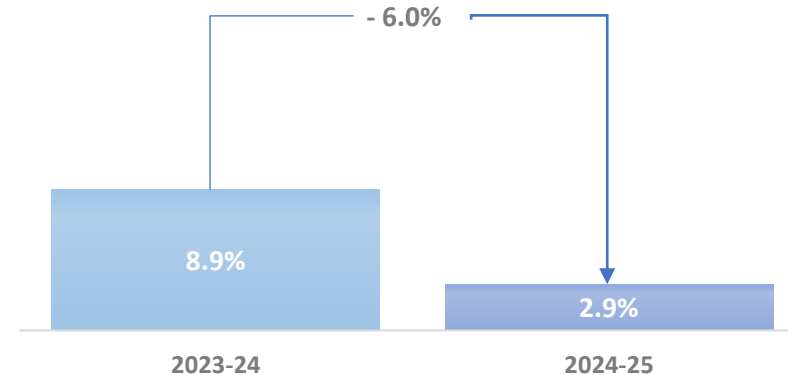
- OCS sub-contractors not ready (£0.4m)
  - Orkney house purchase not yet completed and Vigilant work not yet started (£0.6m)
- Weaponry underspend £0.6m:
- Tasers were expected in April but delayed until May

## Year to date: budget to actual (£m)



## Year to date : % of budget spent

Capital spend shows spend is less when compared with last year



## Capital variance by programme (£m)

	Year to date			Full year		
	Budget £m	Actual £m	Var. £m	Budget £m	FC £m	Var. £m
Estates	1.2	0.2	1.0	22.3	22.3	0.0
Digital Div (rolling)	0.4	0.4	0.0	10.4	10.4	0.0
Digital Div (airwave)	0.0	0.0	0.0	5.5	5.5	0.0
Fleet	0.8	0.6	0.2	10.6	10.6	0.0
SPE	0.4	0.1	0.3	4.2	4.2	0.0
Weaponry	0.6	0.0	0.6	1.8	1.8	0.0
Forensic services	0.0	0.0	0.0	1.0	1.0	0.0
<b>Total BAU</b>	<b>3.4</b>	<b>1.3</b>	<b>2.1</b>	<b>55.8</b>	<b>55.8</b>	<b>0.0</b>
<i>Change: legislative &amp; inflight</i>						
DEPP ①	0.2	0.1	0.1	9.7	9.7	0.0
Other projects	0.3	0.5	(0.2)	5.7	5.7	0.0
<b>Total change</b>	<b>0.5</b>	<b>0.6</b>	<b>(0.1)</b>	<b>15.4</b>	<b>15.4</b>	<b>0.0</b>
IFRS ROU assets	0.0	0.0	0.0	1.4	1.4	0.0
<b>Total before slippage</b>	<b>3.9</b>	<b>1.9</b>	<b>2.0</b>	<b>72.6</b>	<b>72.6</b>	<b>0.0</b>
Slippage	(0.4)	(0.0)	(0.4)	(6.5)	(6.5)	(0.0)
<b>Total</b>	<b>3.5</b>	<b>1.9</b>	<b>1.6</b>	<b>66.1</b>	<b>66.1</b>	<b>0.0</b>
<b>Funding</b>						
GIA - core				63.2	63.2	0.0
Capital receipts				1.5	1.5	0.0
Other				1.4	1.4	0.0
<b>Total</b>				<b>66.1</b>	<b>66.1</b>	<b>0.0</b>

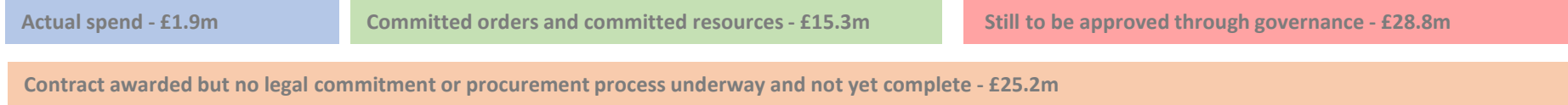
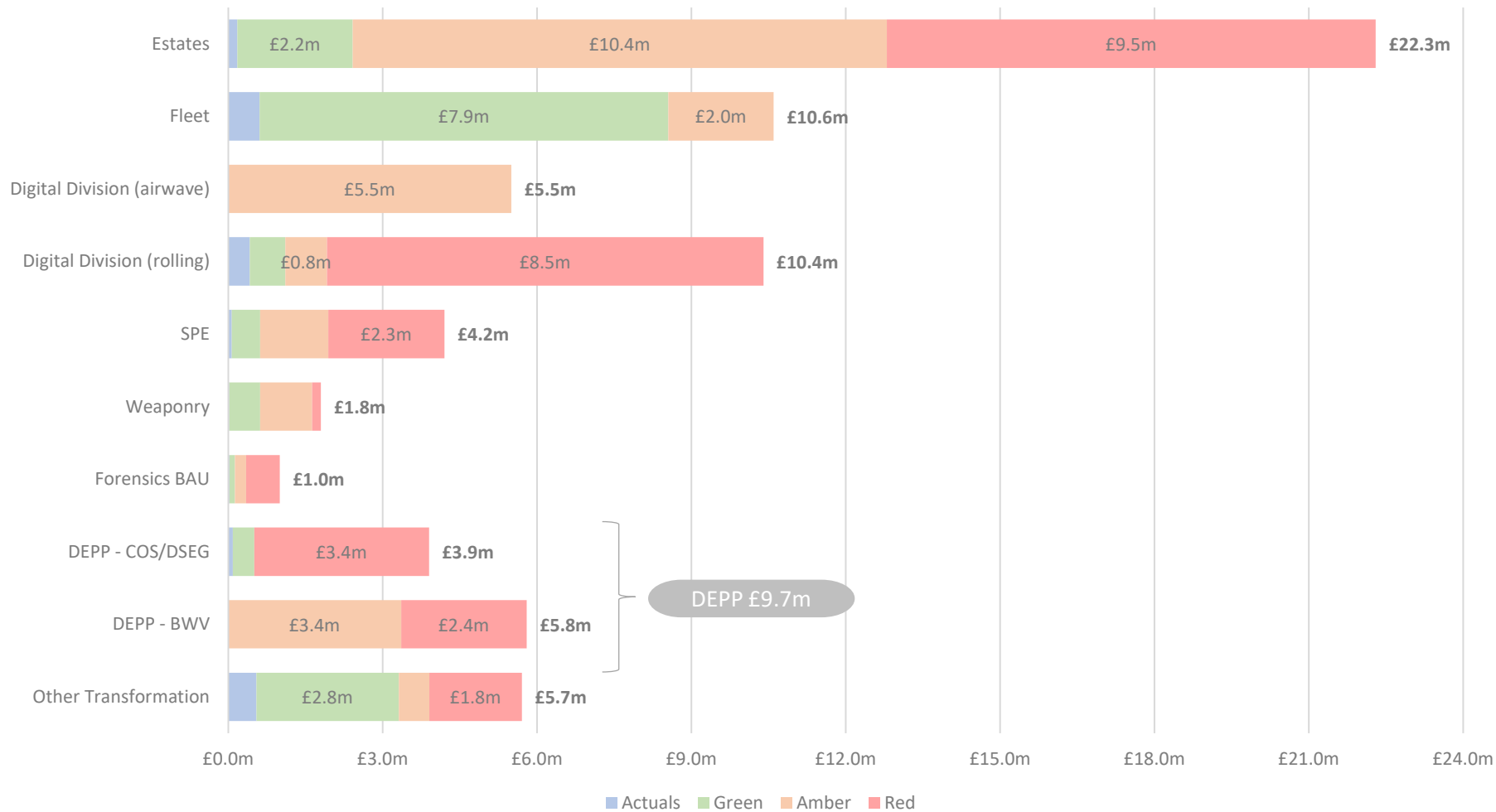
① DEPP = Digitally Enabled Policing Programme

# Capital

As at Period 1 £17.2m out of £71.2m represented graphically (before slippage) is spent or committed to date

This leaves £47.5m still to be committed plus IFRS16 ROU assets £1.4m to meet the funded position of £66.1m

## Capital by categorisation of spend status (£m) – Total £71.2m



DEPP = Digitally Enabled Policing Programme  
 COS = Core Operating Solution  
 DSEG = Digital Support and Evolution Group  
 BWV = Body Worn Video

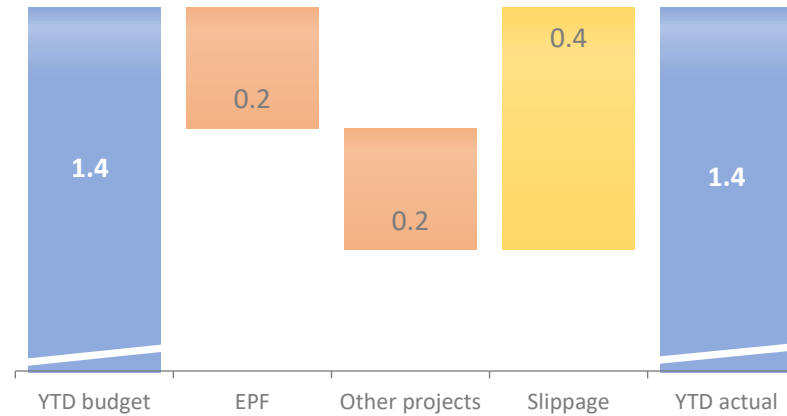
# Reform

Budget deliverability status is green

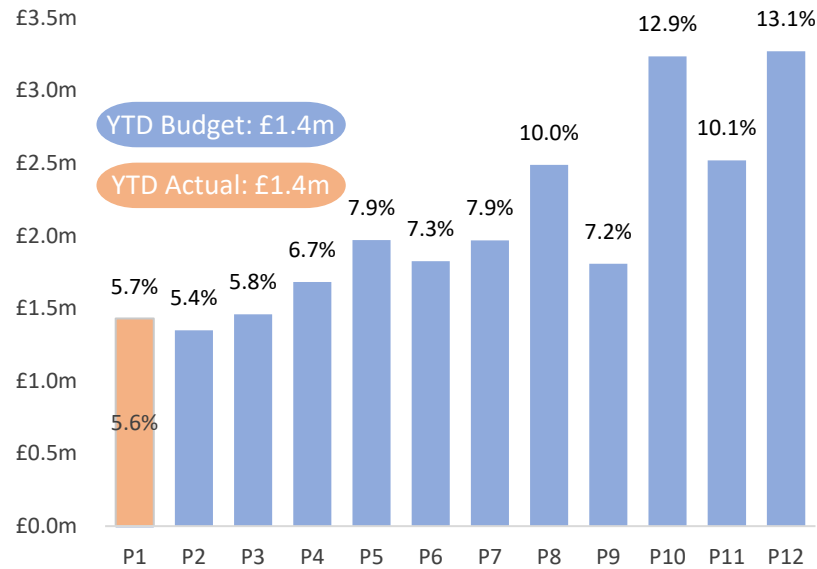
Year to date is in line budget

Year to date slippage achieved by delays in EPF and Enabling Services Review (ESR)

## Year to date: budget to actual (£m)



## Spend profile (£m)



## Reform variance by work stream (£m)

	Year to date			Full year		
	Budget £m	Actual £m	Var. £m	Budget £m	FC £m	Var. £m
Transformation resource	1.1	1.1	0.0	15.6	15.6	0.0
Estates transformation	0.1	0.1	0.0	3.4	3.4	0.0
Policing in a digital world	0.0	0.0	0.0	2.9	2.9	0.0
EPF ①	0.2	0.0	0.2	1.1	1.1	0.0
DEPP ②	0.0	0.0	0.0	0.9	0.9	0.0
MC&E ③	0.1	0.1	0.0	0.8	0.8	0.0
Digital Division	0.0	0.0	0.0	0.7	0.7	0.0
DDD ④	0.0	0.0	0.0	0.7	0.7	0.0
LPP ⑤	0.0	0.0	0.0	0.4	0.4	0.0
P&D Programme	0.0	0.0	0.0	0.3	0.3	0.0
Other projects	0.3	0.1	0.2	3.7	3.7	0.0
<b>Total before slippage</b>	<b>1.8</b>	<b>1.4</b>	<b>0.4</b>	<b>30.5</b>	<b>30.5</b>	<b>0.0</b>
Slippage	(0.4)	(0.0)	(0.4)	(5.5)	(5.5)	(0.0)
	<b>1.4</b>	<b>1.4</b>	<b>0.0</b>	<b>25.0</b>	<b>25.0</b>	<b>0.0</b>
Contribution from Revenue Budget				(5.0)	(5.0)	(0.0)
<b>Total</b>				<b>20.0</b>	<b>20.0</b>	<b>0.0</b>
<b>Funding</b>						
GIA - core				20.0	20.0	0.0
Other grant funding				0.0	0.0	0.0
				<b>20.0</b>	<b>20.0</b>	<b>0.0</b>

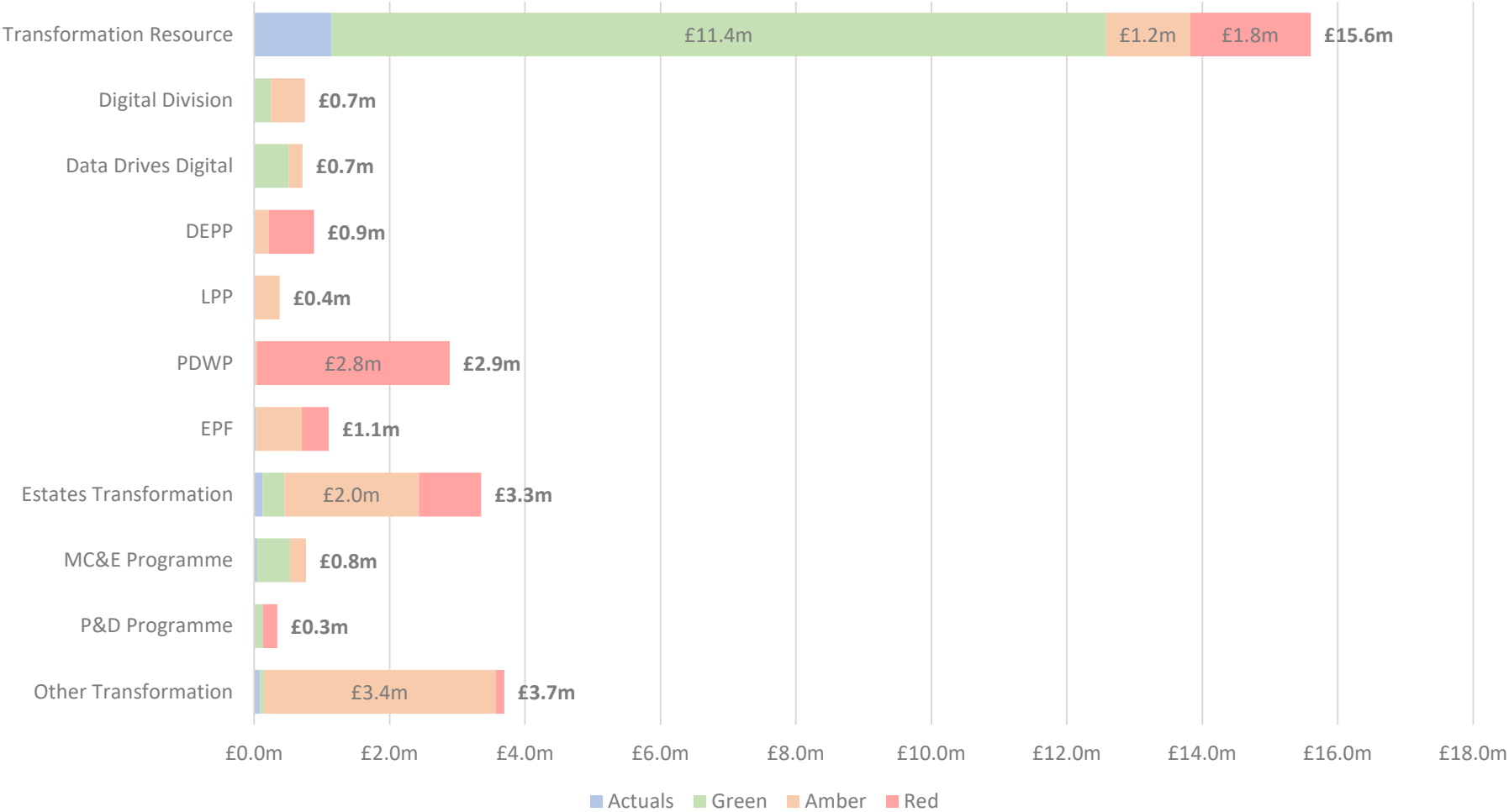
- ① EPF = Enabling Policing for the Future
- ② DEPP = Digitally Enabled Policing Programme
- ③ MC&E = Modern Contact & Engagement
- ④ DDD = Data Drives Digital
- ⑤ LPP = Local Policing Programme

# Reform

As at Period 1 £14.6m out of £30.5m represented graphically (before slippage) is spent or committed to date

This leaves £10.4m still to be committed to meet the funded position of £25.0m

## Reform by categorisation of spend status (£m) – Total £30.5m



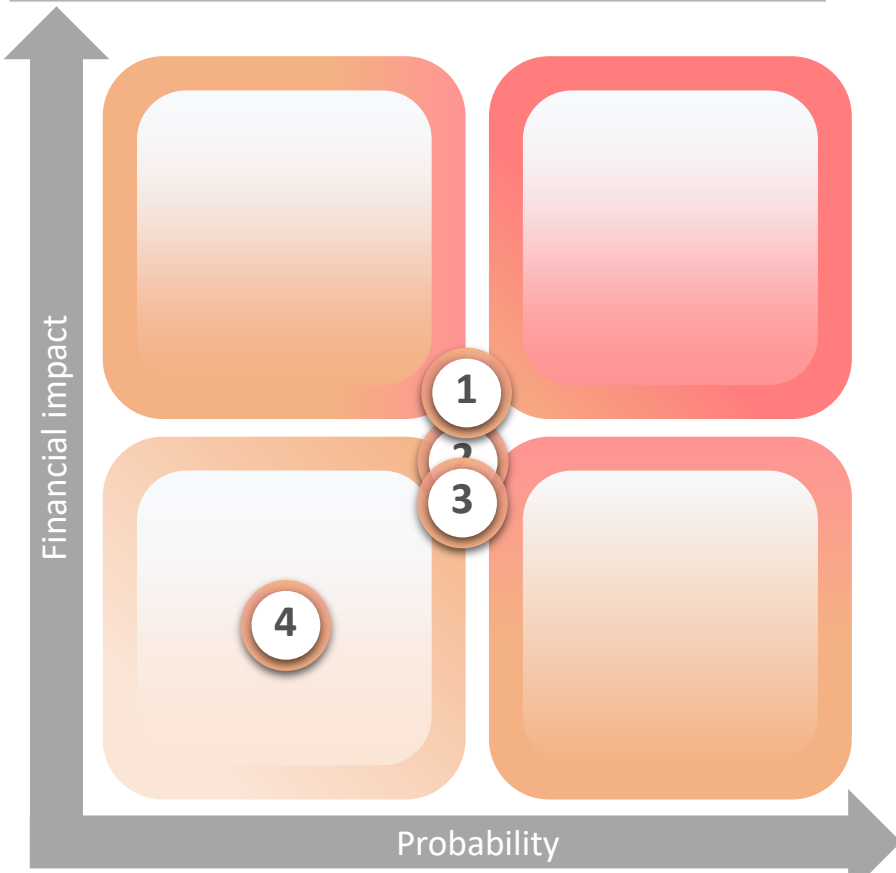
DEPP = Digitally Enabled Policing Programme  
 LPP = Local Policing Programme  
 PDWP = Policing in a Digital World Programme  
 EPF = Enabling Policing for the Future  
 MC&E = Modern Contact & Engagement

# Risk analysis

The revenue budget is carrying further risks that may materialise.

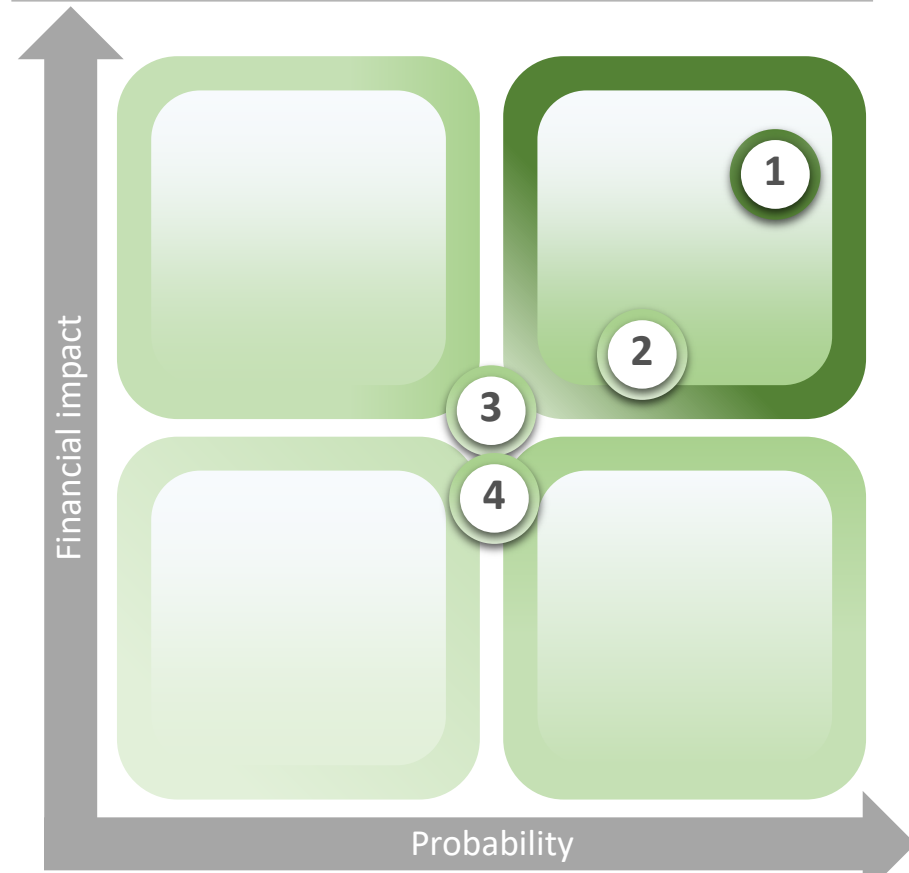
Threats and opportunities risks will continue to be monitored in Q1.

## Threats



1. Demand led areas (e.g. Ill health, injury on duty, legal) - budget has been set based on assumptions around demand and volume however costs may exceed budget available based on actual demand in year.
2. Pay costs - various pay assumptions have been made with regards to pay award.
3. Legislation – no provision included for new legislation - budget assumes that such pressures will be fully funded.
4. Overtime budgeting assumptions may be affected by operational requirements and funding.

## Opportunities



1. VR / VER exits costs - an assumption has been made regarding cost of VR / VER exit packages - actual cost TBC.
2. Planned probationer intake and potential reinvestment opportunities .
3. Staff workforce - various pay assumptions have been made with regards to headcount, attrition which may be impacted by recruitment plans.
4. Potential one-off benefits.