



Meeting	Forensic Services Committee
Date	6th August 2024
Location	Video Conference
Title of Paper	Q1 Finance Report
Presented By	Fiona Douglas, Director of Forensic Services
Recommendation to Members	For Discussion
Appendix Attached	Yes – Appendix A – Finance Report Q1 2024/25

PURPOSE

The purpose of this report is to provide Members with an update on the financial position of Forensic Services for Quarter one (three months ending 30 June 2024) of the financial year 2024/25, as well as forecasting the full outturn to the year end.

The paper is presented in line with the corporate governance framework of the Scottish Police Authority (SPA) and Forensic Services Committee (FSC) terms of reference and is submitted for consultation.

1 BACKGROUND

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

2 FURTHER DETAIL ON THE REPORT TOPIC

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

Revenue

- Q1 net expenditure forecast was a flat position to budget of £44.0m, with lower pay costs offsetting higher non-pay costs.
- 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 the end of 2024/25.
- Actual spend to end of P3 (end of June 2024) was £0.2m higher than budgeted, driven by pay vacancy factor being weighted heavily at the start of the year and several non-pay overspends.
- Forensics have implemented an efficiency plan to help with the various pressures in the revenue budget. This is targeted at £380k savings for 24/25 across the non-pay costs. Currently they are behind plan, however, this is monitored and reviewed monthly with focus on this being key to delivering a flat budget position at year end.

Capital

- Full year Q1 forecast is flat to budget at £1m. There are some projects which may not be achievable this year as we move through the months and the governance timelines become clearer. This will be incorporated into further forecasts. Currently, plans are in place to cover any projects that fall into next year.
- Actual spend to end of P3 (end of June 2024) was ahead of budget at £0.1m. The phasing of the remainder of the spend is split equally between Q3 and Q4.
- Forensics have been asked if they would wish to bid for further capital if any allocation becomes available. Forensics has not come back with any bids as it was thought prudent to focus on delivering the full year spend allocation already given.

Reform

- Overall spend is forecasted to be £0.4m under budget. This reflects less staff resources being available than required. 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.

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.



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SPA Forensic Services

Finance Report
Quarter 1: 2024/25



Summary

Revenue:

G	A	A
Apr	May	Jun

Break even forecast

Capital:

G	G	G
Apr	May	Jun

Break even forecast

Projects:

G	A	G
Apr	May	Jun

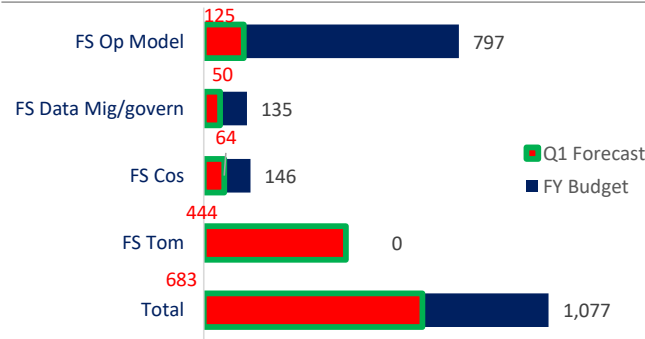
Break even forecast

Overall spend

Q1 forecast numbers have been kept flat to budget. With spend looking flat to budget it is key that focus is kept on the efficiency plan.

	Year to date				Full Year			
	Budget	Actual	Var	%	Budget	Q1 Forecast	Var	%
	£000	£000	£000	%	£000	£000	£000	%
Staff	6,250	6,340	89	1.4	38,550	38,424	126	0.3
Non-pay	930	1,024	95	10.0	5,581	5,704	123	2.2
Income	(14)	(46)	32	229	(84)	(80)	4	4.8
Total	7,166	7,318	152	2.1	44,047	44,048	1	-

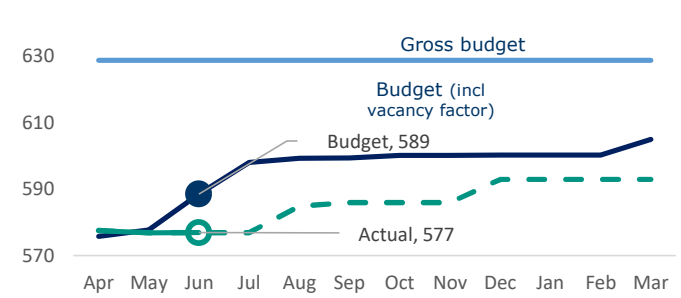
Projects (£000)



- Q1 forecasted project spend is reduced vs budget. This is due to less staff resources being available than required.
- Full year spend is expected to be £683k with £548k (80%) expected to be spent from July 24 to March 25.

Staff Headcount (FTE)

Overall staff numbers are forecasted to rise throughout the year up to 593FTE with budget being 594.4FTE.



Issues, Threats & Opportunities



Issue: Efficiency plan slightly behind target (£75k) at Q1. Operational Kit spend is significantly ahead of the plan and focus needs to be on this to keep it in line with budget. Focus on the overall efficiency plan needs to be kept high to meet the target of £378k savings in year.



Opportunity: If capital budget of £1m is spent quickly then possibility of asking for more capital to fund further purchases.

BAU Capital

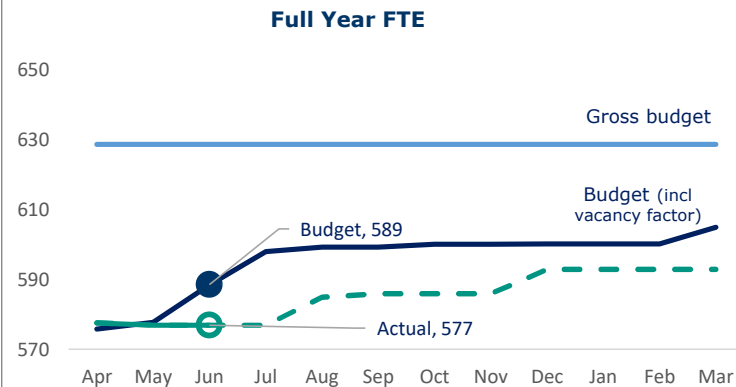
- Year to date spend: £0.1m**
 - This is ahead of expected spend profile.
- Full year budget: £1.0m; Q1 forecast: £1.0m.**
- Break even forecast.**
 - The forecast has been kept flat with some areas not requiring budget or after going through the procurement process require less budget:
 - Microscopes (£80k) and handheld lights (£60k) bids no longer needed;
 - These bids are offset by new bids such as Vehicle ramps (£31k), powder cabinets (£33k) and a potential increase in the Mass spectrometer equipment.

Pay Forecast Summary

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

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

FTE Summary



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

Recruitment Summary

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

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

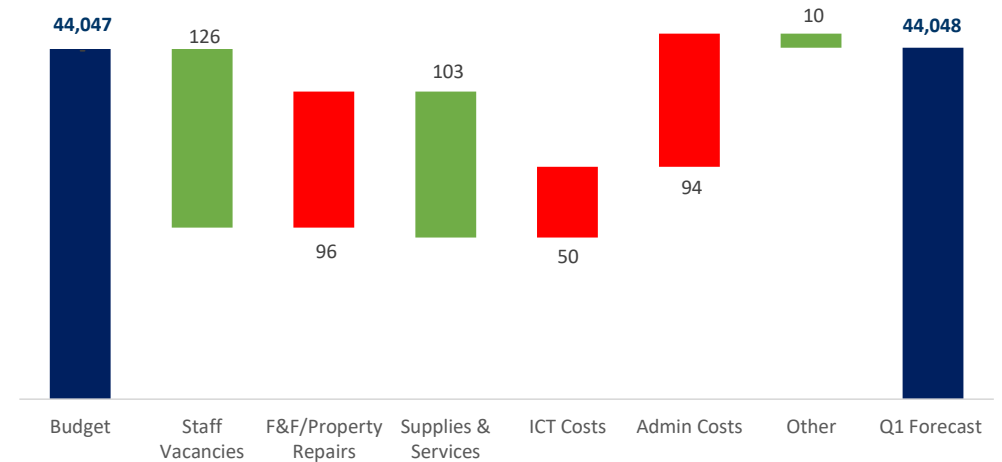
- At Q1 forecast it is expected that FTE will be 593 at year end. There are 577 FTE at the end of P3 with an additional 16 external candidates expected to join FS over the coming months. Assuming all these candidates are successful this would bring FTE numbers up to 593.
- The second table above also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

Non-Pay Forecast Summary

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

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

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



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

Efficiency Area	FY Value £000	YTD Value £0	YTD Delivered £000	Deliverability RAG Status
Search And Recovery	178	45	0	●
Analysis	30	8	0	●
Reporting	16	4	4	●
National Services	54	14	0	●
Quality & Assurance	5	1	16	●
Infrastructure, Support & SMT	93	23	0	●
Change and Development	2	1	0	●
TOTAL	378	95	20	

- At budget setting, FS set an efficiencies, savings target of £0.4m.
- The table highlights progress on the agreed efficiency savings. In the year to date, the service is overall behind with the efficiency's plans.
- Red RAG status areas are overspent versus the year to date spend value and therefore have been included as nil as no saving has been achieved in year-to-date period two.
- Further detailed breakdown of progress on the efficiency plan [here](#)