



SCOTTISH POLICE
AUTHORITY
ÙGH DARRAS POILIS NA H-ALBA

Annual Report and Accounts 2023-24



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

Our Annual Report and Accounts for the financial year 2023-24 explains how the policing budget has been spent during the year. It also sets out what has been achieved in policing over the reporting period and concludes that the overall performance of policing and Forensic Services in Scotland remains strong.

It is important to acknowledge that the context for delivering policing in Scotland remains challenging. Demand on Police Scotland and Forensic Services has continued to evolve, placing additional pressures. The complexity in some crime groups is increasing rapidly and vulnerability in society continues to place great strain on policing and other services. Coupled with the current financial constraints across public services, a cost-of-living crisis, new legislation such as the Hate Crime Act, and an ageing police estate - the operating environment has been difficult. The roll out of a proportionate response to policing means services are being prioritised to the greatest threats, risk and harms and where lines of enquiry exist.

Despite this, much has been achieved. The number of serious assaults and attempted murders recorded were at their lowest number in recent years. Homicides continue to be at a historically low level and Police Scotland's detection rate for homicides remains very impressive. The groundwork has been laid for the introduction of body worn video and there is an increase in the pace of adoption of critical technology and data analysis.

Police Scotland responded to almost 2.2m 999 and 101 calls and over 190,000 emails during 2023-24. The proportionate and effective policing of large-scale protests has become routine, and central to the approach is a deep-rooted understanding within Police Scotland of the human right to protest. In terms of public service, satisfaction rates by those who use the police service remain high at 71%, a rate all officers and staff should rightly be proud of.

I am also pleased that this report again confirms a balanced budget was delivered in 2023-24, reaffirming the Authority and Police Scotland's shared commitment to financial discipline. I am grateful to Police Scotland's leadership team for their significant focus during the year to reduce a forecast deficit of £19m. Action and grip to address this forecast overspend has had operational implications and required valuable policing resources to be prioritised where the greatest risks, threats and harms exist. This has been closely monitored by the Authority and its committees.

The year also saw significant changes in Police Scotland's leadership team with the retirement of Sir Iain Livingstone, Fiona Taylor, Malcolm Graham and David Page. Chief Constable Jo Farrell took command of Police Scotland in October 2023. Since then, we have appointed two new Deputy Chief Constables and three new Assistant Chief Constables.

Policing in Scotland is now undergoing its second phase of police reform since the creation of a single service in 2012. The new leadership team are committed to developing a revised model of policing, that can meet the changing demands and is sustainable within the budget available. This is a priority for policing and the Authority has dedicated oversight to support development and delivery of this new model.

The performance of our Forensic Services has also remained strong throughout the year. Forensic Services remains a highly regarded, externally accredited and essential service to the criminal justice system. The service has continued to deliver essential and effective services to policing and the

Crown Office and Procurator Fiscal Service, while adapting to meet increasing demands and new responsibilities.

Increasing demands for toxicology services continue to outstrip the capacity to deliver this service in house, requiring the support of commissioned outsourcing. Notwithstanding this, significant improvements have been made in year to improve the service and capacity available. This has been recognised by His Majesty's Inspectorate of Constabulary in Scotland (HMICS) and is testament to the hard-work and commitment of the Forensic Services staff and leadership team. Work to identify a long-term solution to this is being taken forward and will be considered by the Authority during 2024.

Within the Authority itself there have been a few changes. This year has seen the retirement of two long-standing Board Members, Jane Ryder and Michelle Miller. I want to thank them for their valuable contribution to the Board and policing over their appointment terms. We also welcomed three new members on 1 June 2024 – Chris Creegan, Pauline Howie and Angela Leitch.

The Authority continues to have a focus on four key issues – Localism, Technology, Social Justice and Evidence. The Board priorities support the development of sustainable policing and Forensic Service and our support and scrutiny of policing continues to be driven by an emphasis on capacity, capability and culture.

A review by HMICS on the effectiveness of the Authority was published in June 2024 and praised the significant achievement and substantial efforts that had been taken since 2019 to develop the Authority as a professional and strategic scrutiny body for policing in Scotland. Board members, the Chief Executive and the Corporate team have delivered these significant improvements over the last four years, embracing continuous improvement in its own work and across policing delivery. This journey to drive improvement will continue in the years ahead.

My four-year tenure as Chair of the Scottish Police Authority will end on 31 January 2025. I am immensely proud of all that has been achieved in the last four years. As I hand over the reins, I am confident that policing is poised for this next phase of police reform. Monitoring the development and delivery of a revised policing model and the pace and progress to build an inclusive and anti-discriminatory service are significant programmes of work for the years ahead. Advocating for additional investment in our estate and technology will also feature high on the agenda. I am confident that a new Chair, supported by a capable and effective Board, Chief Executive and corporate team will take this forward with energy and commitment.

My final acknowledgement and thanks go to the hard-working and dedicated police officers, scientists and all members of staff who serve our communities day-in-day-out, 365 days of the year. Their continued contribution and dedication to delivering this essential public service is the bedrock of a safe and flourishing society. I continue to be impressed by the commitment to public service and resilience of those working across policing and Forensic Services.

Martyn Evans

Martyn Evans
Chair

31 October 2024



Chief Executive's Statement

As Chief Executive of the Scottish Police Authority and Accountable Officer for the policing budget I am delighted to report a balanced budget position for the third consecutive year. Effective financial management of the policing budget is a requirement I expect as Accountable Officer. I am grateful to Police Scotland and Forensic Services for their support to achieve this during 2023-2024.

Over the last year, the Authority has worked closely to provide information and evidence to HMICS who have conducted a review of the effectiveness of the Authority. The Authority has been on a significant improvement journey since 2020 to strengthen its role and contribution across the policing system. I am very pleased that HMICS has recognised the progress that has been made to develop effective governance and scrutiny arrangements for policing.

I want to pay tribute to my staff team who have delivered these improvements over the last 4-years. Of course, the drive toward even better performance remains our focus and HMICS highlights several areas for further development which will be taken forward through our programme of continuous improvement.

More generally, the Authority's corporate function has continued to support the Board to ensure effective and robust oversight and advocacy for policing. Engagement and collaboration with key stakeholders on crucial issues like local scrutiny, community confidence, biometrics, research, and evidence have all been progressed and are informing and adding value to the Authority's oversight.

During 2023-24 the Authority was awarded a runner up award for its partnership work with WhoCares? Scotland to amplify the voices of Care Experienced people. Our Independent Custody Visiting team received a national gold award for compliance against national standards recognising the high quality of the scheme. Our finance team were also shortlisted for the UK Public Finance, finance team of the year for central government.

Significant changes within Police Scotland's leadership team have resulted in significant efforts by the Authority to develop and deliver professional recruitment processes which have been assessed as effective throughout the year.

Similarly, our governance policies and procedures and our statutory and public body duties continue to deliver effectively and be responsive to the public interest.

I have intimated my intention to retire as Chief Executive and Accountable Officer in 2025. I am proud of all that the Authority has achieved over the last 5-years and I want to offer my thanks and appreciation to all those who have contributed to this success.



Lynn Brown

Lynn Brown OBE
Chief Executive
31 October 2024

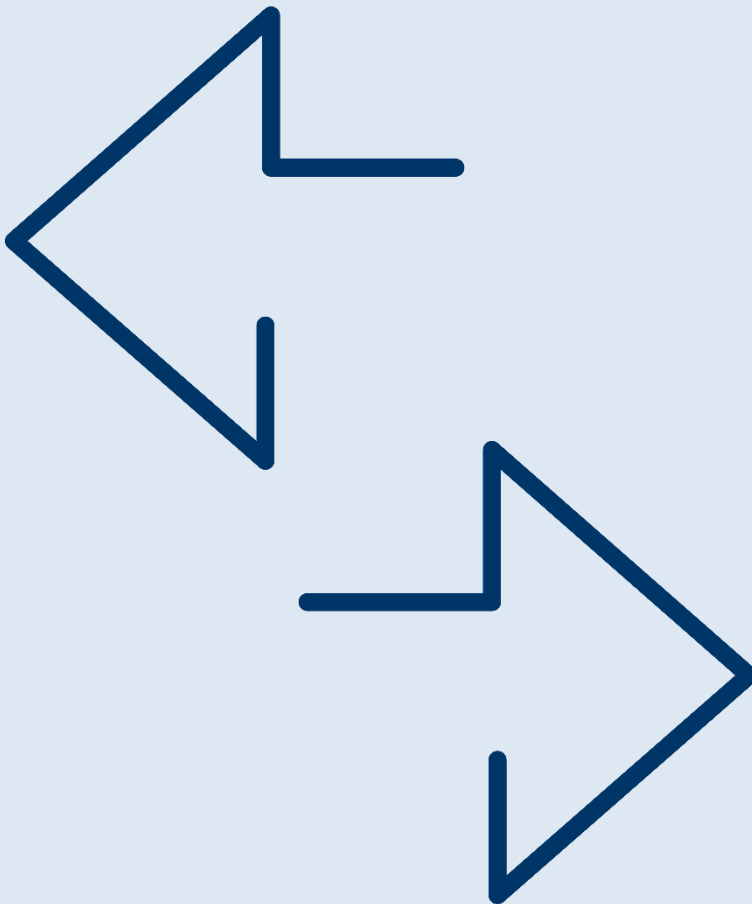
Part 1

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,

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](#).

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



Joint Strategy for Policing 2023
Policing for a safe, protected and resilient Scotland

The Authority approved the [Joint Strategy for Policing \(2023\)](#) in May 2023 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.

- The [Annual Police Plan 2023-24](#) (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 Strategy 2023-26](#) 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 2021-26](#) 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 2023-24

The Joint Strategy for Policing provides the basis 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 83. Key principle risks considered during 2023-24 included:

Financial	
Risk	Mitigating actions
<p>Authority fails to secure resources available to deliver the Strategic Police Plan.</p>	<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> The strategic financial risk assessment (score) remained consistent during 2023-24 whilst financial risks related to in-year financial performance reduced during the year. Scottish Government’s 2024/25 budget confirmed funding uplifts were received in core revenue and capital, whilst reform remained flat. 	<ul style="list-style-type: none"> Significant financial challenges remain to deliver policing to the communities of Scotland. Budget performance is monitored through regular reporting to Resources Committee and the Board. The risk remains beyond the 2024/25 financial year.
Service Delivery	
Risk	Mitigating actions
<p>Maintaining service delivery in a challenging financial environment is a significant risk for Scottish policing. Efficiencies have been realised from non-staff costs with reduction in the number of officers/staff inevitable to balance budgets.</p>	<ul style="list-style-type: none"> Regular public reporting of performance Continue to drive efficiencies across policing. Engagement with partners and stakeholders to minimise duplication and maximise efficiency.
Risk change	Looking ahead
<p>While the risk has been prevalent since the inception of the single force, the potential severity has increased with efficiencies being predominantly realised across back-office functions. The requirement ahead is for resources to be prioritised supporting policing in the communities of Scotland.</p>	<p>Police Scotland is developing a three-year programme of work to design and implement a new model that will prioritise operational policing, reduce back-office duplication, and create capacity to deal with new and increasing threats.</p>

Organisational Change	
Risk	Mitigating actions
<p>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.</p>	<ul style="list-style-type: none"> • 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
<p>This is a complex and wide-ranging risk. While several 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.</p>	<ul style="list-style-type: none"> • This is a long-term strategic risk for Scottish policing with funding a significant factor in the ability to mitigate the risk. • Police Scotland is developing a three-year programme of work to design and implement a revised model of policing that will prioritise operational policing, reduce back-office duplication, and create capacity to deal with new and increasing threats.

Digital and data	
Risk	Mitigating actions
<p>Robust storage, management and use of data is a key enabler for policing in Scotland.</p> <p>Digital technologies bring opportunities to enhance efficiencies and service delivery but require significant investment at a time of financial constraint.</p> <p>Many new technologies increase the volume of data that requires to be managed.</p>	<ul style="list-style-type: none"> • Several projects in delivery. • Efficient and effective management of data in an ethical manner adhering to legislation. • Consideration of the implications of utilising cloud-based storage.
Risk change	Looking ahead
<ul style="list-style-type: none"> • The severity of the risk has not changed and continues to remain high. • Requirement to prioritise digital investment to maximise benefits for policing. • The volume of data to be stored and managed will increase with the implementation of new technology. 	<ul style="list-style-type: none"> • The focus will continue to be on storing and managing data in an ethical, efficient manner adhering to legislation. • Continued delivery of the Digital Strategy, as far as possible, within funding available.

Oversight of Police Scotland and Forensic Services

Risk	Mitigating actions
<p>The Authority does not deliver a proportionate, targeted, measured oversight of Police Scotland and Forensic Services</p>	<ul style="list-style-type: none"> Enhanced/wider public reporting of performance across Scottish policing (performance framework). Roles and responsibilities of committee to oversee respective area of policing. Corporate Governance Framework. Enhanced oversight of change. Enhanced support to members on oversight of Forensic Services.
Risk change	Looking ahead
<ul style="list-style-type: none"> The risk, associated with oversight of Forensic Services increased in 2022-23 following the time barring of drug driving cases. The risk reduced in 2023-24 reflecting mitigations implemented - improved assurance/oversight and progress addressing recommendations for the HMICS inspection of toxicology (drug driving). The overall risk is subjective, however, is assessed taking cognisance on several different factors including public perception, feedback and delivery of policing to the communities of Scotland. 	<ul style="list-style-type: none"> The risk will continue to be managed and assessed – the risk not becoming an issue is a key to the successful function of the Authority.

Equalities

Risk	Mitigating actions
<p>In May 2023 the former Chief Constable, Sir Iain Livingstone, announced that Police Scotland is institutionally racist and discriminatory. There is a risk that Scottish policing has not addressed, remaining institutionally racist and discriminatory</p>	<ul style="list-style-type: none"> Policing Together Oversight Group HMICS thematic inspection of Culture Embed approach to integrated impact assessments Embedded EDI training from entry through leadership and development
Risk change	Looking ahead
<p>The changes required to mitigate this risk are wide ranging and extensive. The Authority seeks assurance that the risk is being addressed/mitigated. Change to the risk severity will only be considered if robust evidence to support the change exists.</p>	<ul style="list-style-type: none"> Continued oversight Addressing recommendations from HMICS inspection Addressing and challenging behaviours across all levels of policing

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 2023-24 year.

The Authority assesses that performance levels have been maintained during 2023-24. 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 described in the Strategic Police Plan. Several key achievements are highlighted 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.

Three key performance areas for policing are summarised below: crime volume, crime detection rates, and public trust and confidence. For 2023-24 these measures continue to show improvement in some areas alongside continued challenges in others. Police Scotland's refreshed [Performance and Accountability Framework](#) sets out how continuous improvement in these areas will be tackled 2024-25, including enhanced reporting and increased use of comparative analysis and sharing of good practice.

Also summarised below is performance in relation to SPA Forensic Services and SPA Corporate, providing an overview of activities and achievements during the year.

All of these areas are examined in more detail in the Performance Analysis section.

Overall Crime Levels

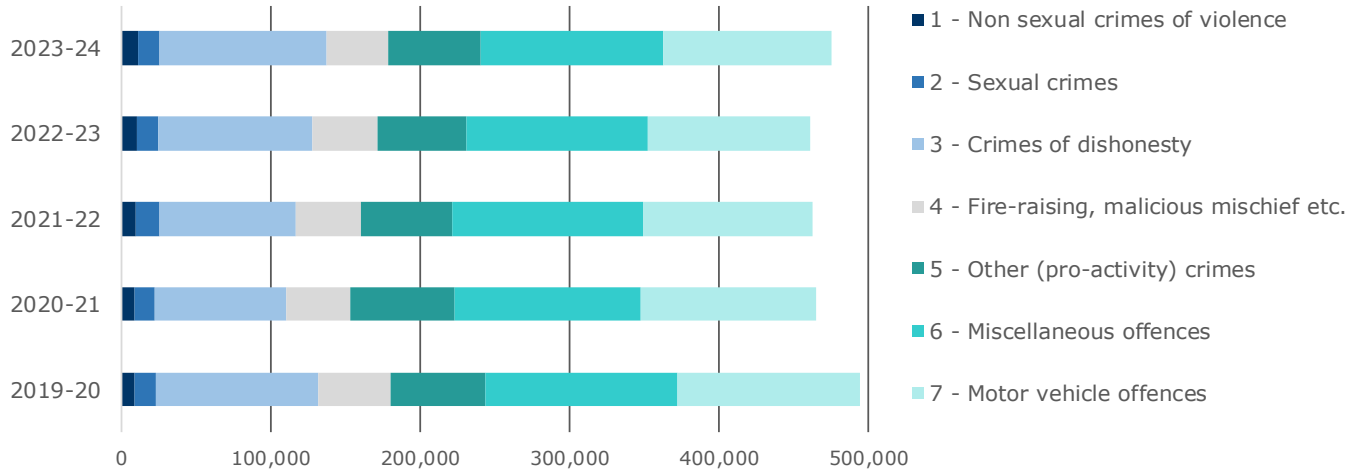
A total of 475,584 crimes were recorded in Scotland during 2023-24. This is a 3% increase from 461,557 last year, and only just above the five-year average of 474,553. The table below shows the number of crimes across the seven crime groups, alongside the detection rates for the last two years.

Crime group	Measure	2023-24	2022-23	Change from last year	5-year average	Change from 5-year average
1 Non sexual crimes of violence	Crimes	11,323	10,322	9.7%	9,334	21.3%
	Detection rate	60.8%	61.5%	-1.1%	68.5%	-11.1%
2 Sexual crimes	Crimes	14,517	14,602	-0.6%	14,038	3.4%
	Detection rate	57.1%	53.4%	6.9%	55.7%	2.5%
3 Crimes of dishonesty	Crimes	111,596	103,393	7.9%	100,867	10.6%
	Detection rate	33.0%	31.0%	6.6%	35.7%	-7.4%
4 Fire-raising, malicious mischief etc.	Crimes	41,219	43,123	-4.4%	45,502	-9.4%
	Detection rate	29.6%	28.8%	2.9%	28.7%	3.3%
5 Other (pro-activity) crimes	Crimes	61,986	59,374	4.4%	62,720	-1.2%
	Detection rate	91.1%	93.4%	-2.4%	92.9%	-1.9%
6 Miscellaneous offences	Crimes	122,303	121,523	0.6%	126,699	-3.5%
	Detection rate	72.3%	73.2%	-1.2%	75.3%	-4.0%
7 Motor vehicle offences	Crimes	112,640	109,220	3.1%	115,393	-2.4%
	Detection rate	87.5%	86.9%	0.7%	89.7%	-2.4%

This shows that there have been notable increases in the number of crimes for Group 1 – non sexual crimes of violence, up by 1,001 crimes (9.7%), and Group 3 – crimes of dishonesty, up by 8,203 crimes (7.9%) when compared to last year’s figures. These also reflect increases from the five-year average of 21.3% and 10.6% respectively. Group 2 – sexual crimes have decreased compared to last year by 0.6% but increased 3.4% on the five-year average.

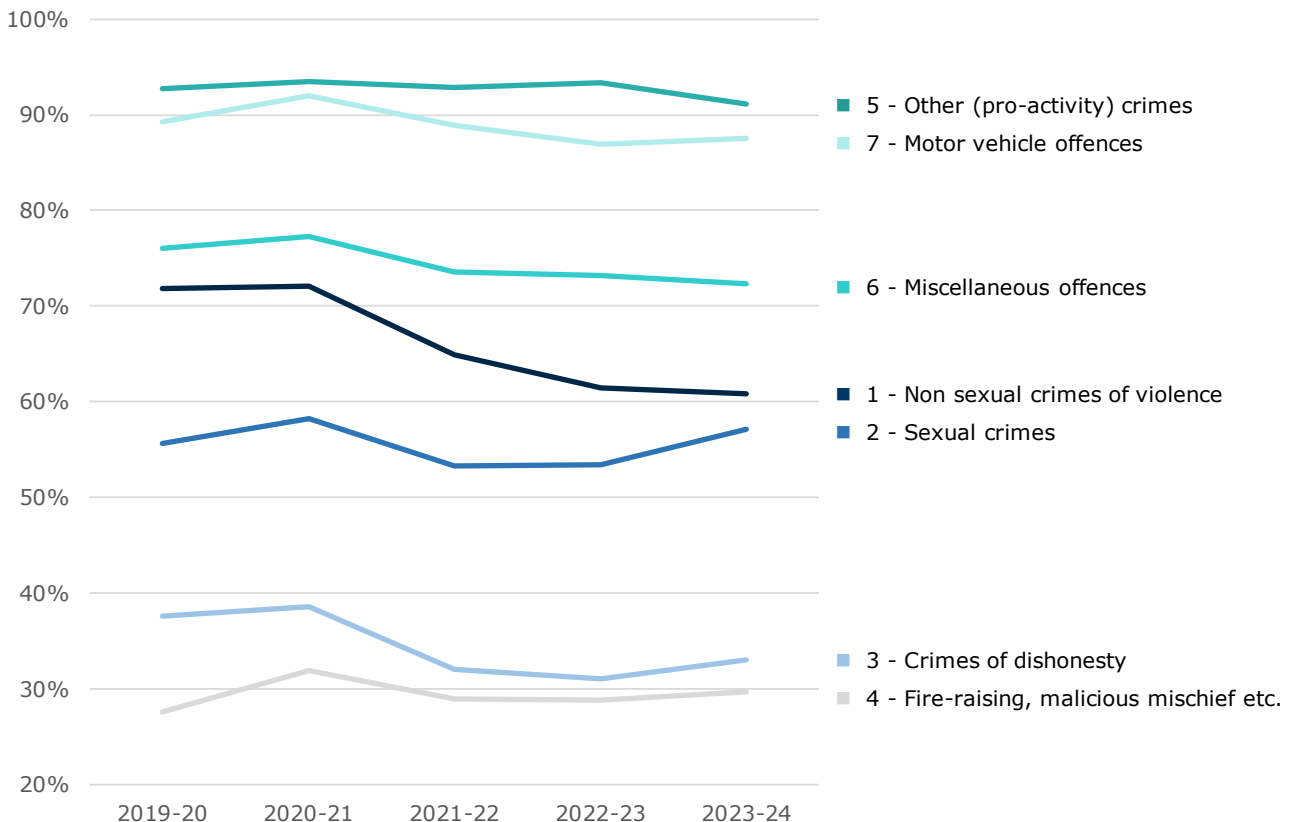
The following graph takes this analysis further, showing the volume of crimes within each group over the last five years.

Crime numbers by group and financial year



Detection rates have improved for Group 2 and 3 crimes when compared to last year, with a decreasing trend evident for Group 1. The following graph shows trends for the last five years, illustrating the differences in detection rates across groups as well as overall trends. The sub-group figures contributing to these overall trends are explored further in the Performance Analysis section.

Detection rates by group and financial year



Public Confidence in Policing

Following its postponement in 2020-21 and a re-design as part of a Scottish Government-led procurement process, the [Scottish Crime and Justice Survey](#) was released this year for the period covering 2021-22. Nearly half of adults (49%) said the police in their local area do an excellent or good job. This represents a decrease from 55% in 2019/20. Most adults expressed confidence in the local police force's capability across various aspects of police 'effectiveness,' including their ability to handle incidents as they happen and solve crimes. An exception was in preventing crime where 46% of adults were confident in the police.

The Authority and Police Scotland have also maintained efforts to further build a comprehensive and robust picture of public confidence by carrying out public opinion surveys.

Regular data on confidence in policing in Scotland comes from Police Scotland's own survey of the public for 2023-24 (the online [Your Police](#) survey). The data from this survey is taken from a self-selecting group and not from a controlled, nationally representative sample and therefore cannot be compared with the Scottish Crime and Justice Survey, Scottish Household Survey or the Authority's polling, it acts as a valuable source of intelligence. The results show that 50% of respondents stated that they have confidence in the police. For user experience data for those who had contacted the police, 71% said that they were satisfied with Police Scotland overall.

The Authority's own polling, delivered by the Diffley Partnership, has produced further findings on [public perceptions of policing in Scotland](#) this year. Data from this survey is sourced from 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. In January 2024, 42% of people said that local police did a 'very good' or 'somewhat good' job on 'policing in general'. This compares with 24% of people who said that local police did a 'very poor' or 'somewhat poor' job and 27% who felt that they did 'neither a good nor poor job'.

This range of research shows the continuing challenges faced by Police Scotland in relation to building and sustaining public confidence and trust, and on 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. A further breakdown of feedback in relation to specific aspects of Police Scotland's service is provided in the Performance Analysis section.

50%

Have confidence in the Police

(Police Scotland – Your Police Survey 2023-24)

71%

Satisfied with Police Scotland overall

(Police Scotland – User Experience Survey, Q4 2024)

42%

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

(Diffley/SPA, January 2024)

78%

Trust the Police

(Scottish Household Survey 2022)

49%

'Excellent' or 'Good' job in local area – 'Overall performance'

(Scottish Crime and Justice Survey, 2021-22)

Forensic Services

Throughout the year Forensic Services has demonstrated delivery against agreed strategic outcomes with considerable progress made towards transformational change. The service has maintained their focus on performance while also completing a full consultation with staff on a New Operating Model.

A [Performance Framework](#), designed to ensure Forensic Services' approach to managing performance is outcome-focused, flexible and has a forward-thinking approach, where new and emerging issues are considered, was approved this year. A renewed Memorandum of Understanding between the Scottish Police Authority, the Chief Constable, and the Crown Office and Procurator Fiscal Service (COPFS) was also agreed, signed by all parties, and presented to the SPA Forensic Services Committee in [August 2023](#).

The HMICS Assurance Review of the Scottish Police Authority Forensic Toxicology Provision was published in April 2023 and Forensic Services have been working with partners in Police Scotland, COPFS and Scottish Government to deliver its recommendations, which will improve the delivery of drug-driving services in Scotland.

In line with wider the Governance Review, Forensic Services now reports to the Audit Risk and Assurance Committee and the People Committee, in addition to the regular reporting to the SPA Forensic Services Committee and full meetings of the Authority.

During 2023 Forensic Services also rolled out a new bilingual Forensic Services logo and visual identity. These reflect how Forensic Services deliver world-leading forensic science from the crime scene to the court.

A breakdown of key performance areas for Forensic Services and additional details of improvement and developments taking place this year are provided in the Performance Analysis section.

SPA Corporate

This year is the first of the Authority's new [Corporate Strategy for 2023-26](#), approved at the Authority meeting in March 2023. It sets out the strategic outcomes for the three year period, and is supported by an implementation plan made up of the key activities and milestones to achieve these outcomes.

During 2023-24, 80% of the 495 milestones for delivery in the year were completed. Given the resourcing and capacity challenges faced over the year, and the significant ambition in year one of the Corporate Strategy, 80% delivery represents a successful year for the Authority.

Of the remaining milestones, 3% were closed as no longer required, and 17% have been carried forward for delivery in 2024-25.

Key activities, achievements and performance measures for 2023-24 are detailed in the Performance Analysis section of this report, including:

- Continued delivery and enhancement of Independent Custody Visiting across Scotland.
- Continued support to the DESC (Digital Evidence Sharing Capability) project.
- Continued independent public polling on confidence in policing.
- Delivery of the Community Confidence Action Research Project.
- Completion of the Authority's Best Value self-assessment.
- Delivery of senior officer recruitment

Looking forward to year two of the Corporate Strategy, the Authority's annual delivery plan for 2024-25 contains 48 action areas that will be reported to the Audit, Risk and Assurance Committee on a quarterly basis.

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. This is also demonstrated by the inclusion of financial provision for the Authority for 2024-25 in the Scottish Budget.

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 £12.4 billion (31 March 2023: £13.3bn), 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 (through the Scottish Public Pension Agency). 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.

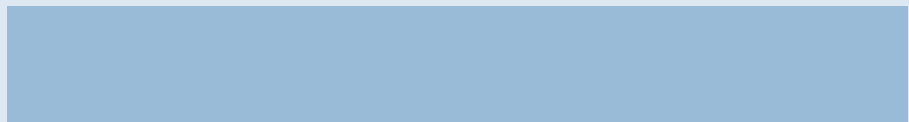


Part 2

Performance Analysis

The core policing purpose and principles are 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 Joint Strategy for Policing and the aligned activities described within the Annual Police Plan 2023-24, 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 Strategy 2023-26, Annual Business Plan 2023-24 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, 2023-24 statistics in relation to the trends and average performance over the last five years.

Joint Strategy for Policing 2023

Policing for a safe, protected and resilient Scotland



POLICE SCOTLAND
POLIS NA H-ALBA

SCOTTISH POLICE AUTHORITY
UGHDARRAS POLIS NA H-ALBA

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.

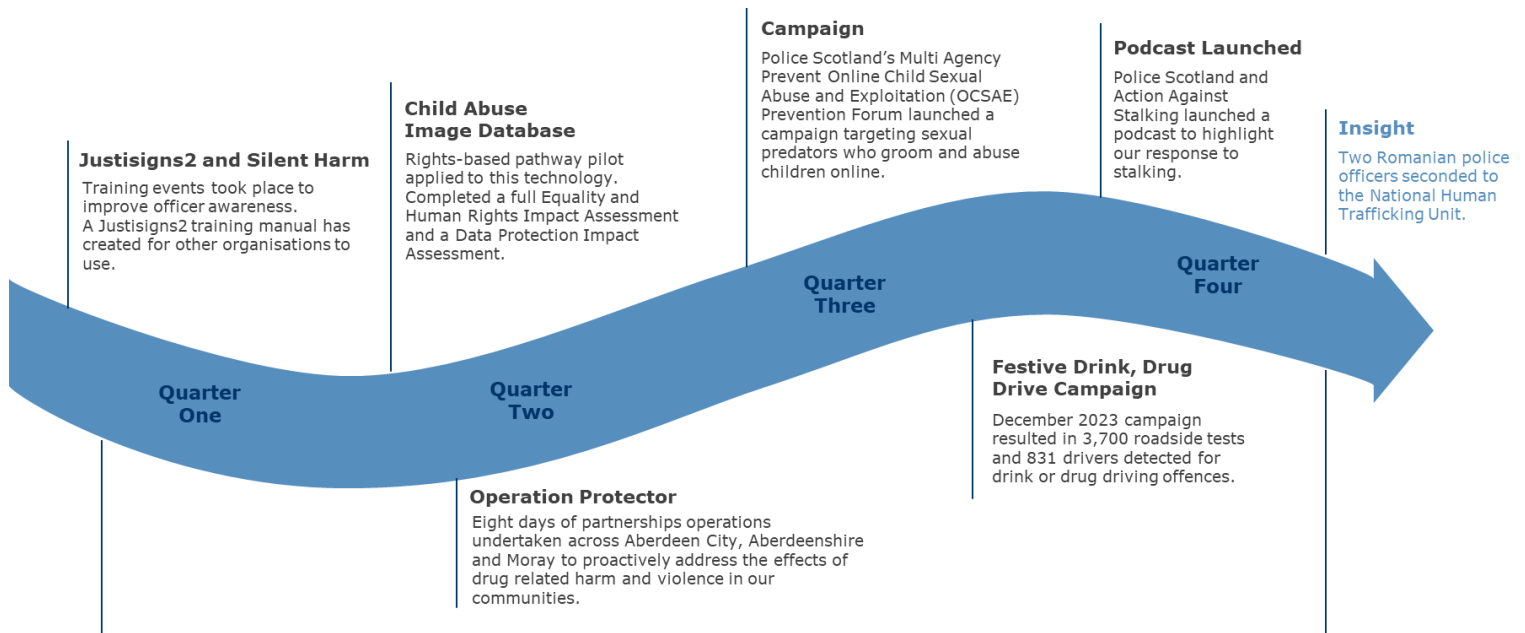
This is an overall assessment of policing performance and does not seek to reproduce the detailed performance information for 2023-24 that is set out in either the [Chief Constable’s assessment of performance](#) or the quarterly performance report considered by the [Policing Performance Committee](#) at each meeting.

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.

The timeline below shows key activities and achievements from 2023-24, with further details provided in the Chief Constable’s assessment of performance.



Insight

The Banking Protocol, a multi-agency initiative between law enforcement, banking institutions and Trading Standards, has recorded 1,179 incidents amounting to £4.5m of fraud prevented over the year.

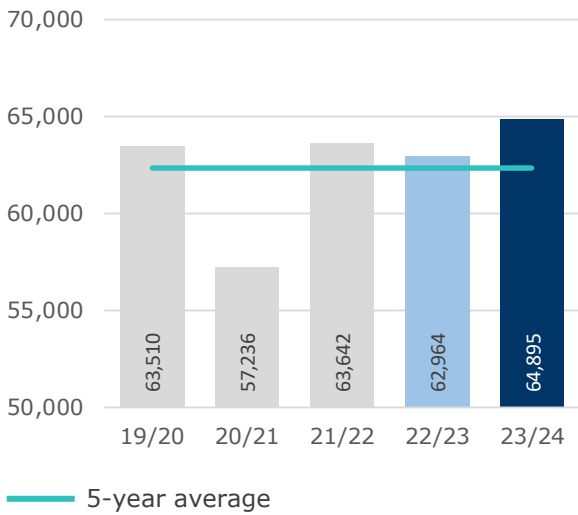
Measures of performance for this outcome relate to crime numbers and detection rates across the main crime groups. A selection of measures are analysed below providing details of areas where performance has been positive this year (violent crime detection rates; sexual crime numbers and detection rates;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

Related activities from the year are also outlined below, which includes continued delivery of the Police Scotland Violence against Women and Girls Strategy, essential in the response to challenges relating to sexual crime and domestic abuse.

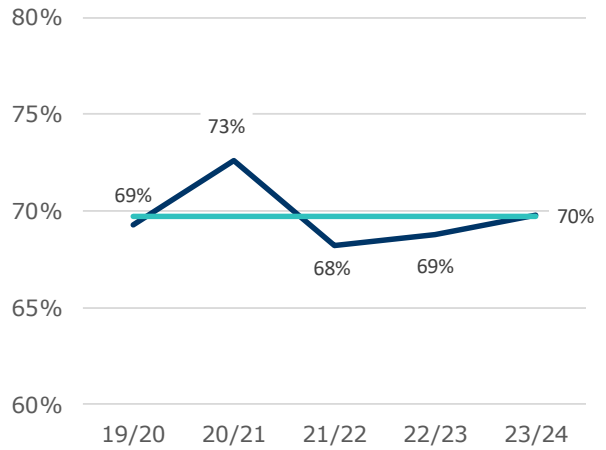
Overall violent crime

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 2023-24 has increased slightly compared to last year and the five-year average, both in relation to number of crimes and detection rate.

Number of crimes



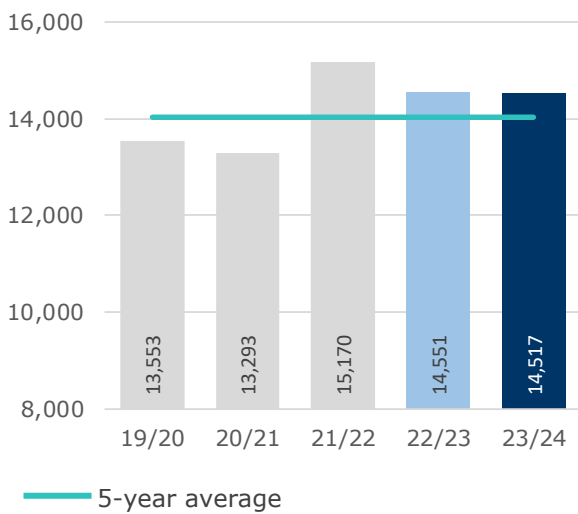
Detection rate



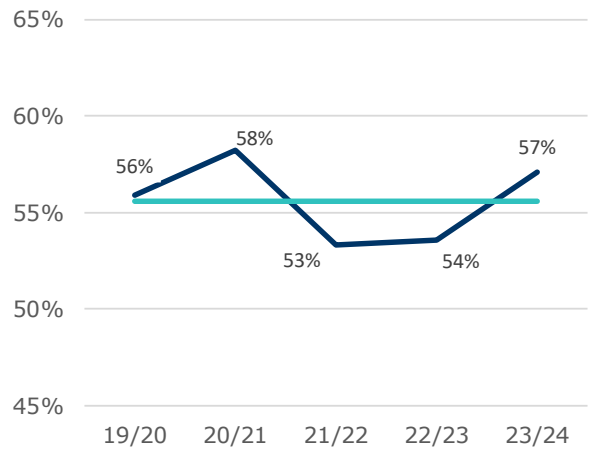
Sexual crimes

Overall sexual crime numbers have remained steady when compared to last year and remain slightly above the five-year average at 14,517. The detection rate has increased by 3.5 percentage points and is now up 1.4 percentage points against the five-year average.

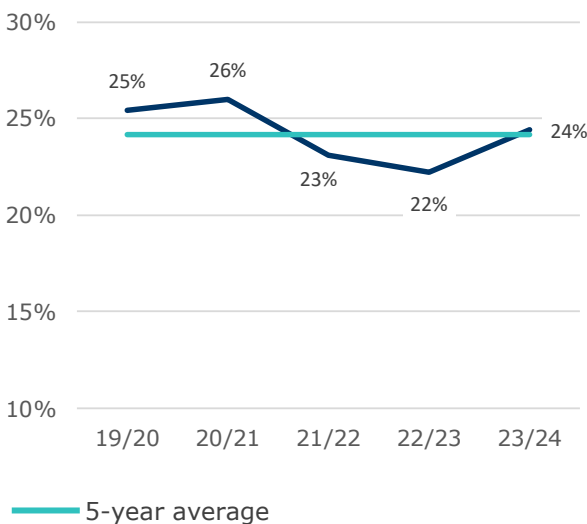
Number of crimes



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.

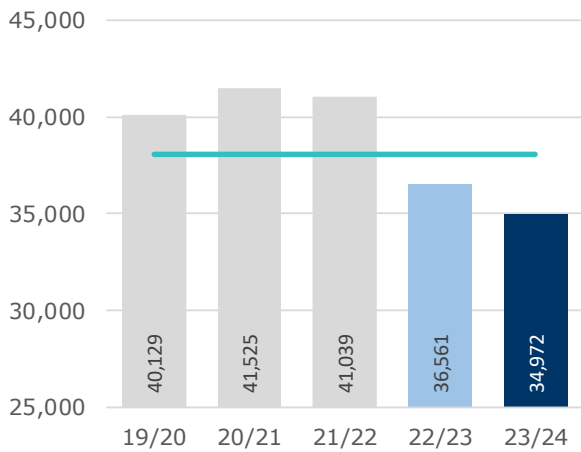
The percentage of all sexual crimes reported during 2023-24 that were non-recent has increased to 24% from 22% last year and is now at the level of the five-year average.

There is a positive aspect to this as it means people who did not report their crime when it happened are now coming forward. However, the overall aim is to give victims and survivors the confidence to come forward straight away to enable the best opportunity for detection.

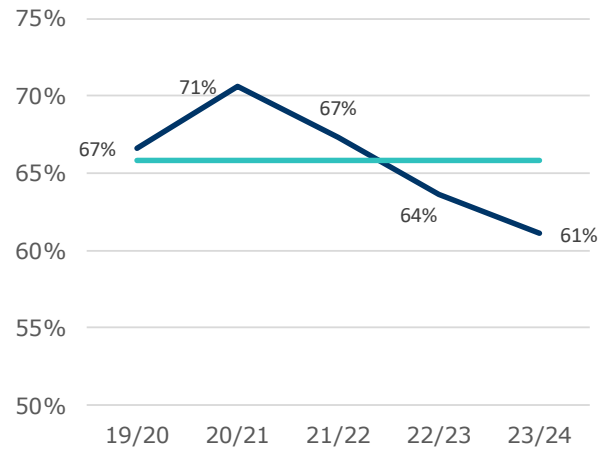
Domestic abuse

Domestic incidents and crimes continue to note decreases when compared to last year. Domestic crimes decreased by 4.3% (1,589 crimes) compared to last year and are also over 8% lower than the five-year average. However detection rates also continue to fall, to 61% this year. Work underway to improve detection, as set out in the Violence against Women and Girls Strategy (see below), includes strengthening investigative efforts by developing the skills of officers to capture evidence in an effective and timely manner, and reviewing the approach to victim engagement to help reduce victim attrition rates.

Number of crimes



Detection rate



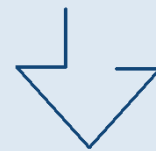
— 5-year average

61,468

Domestic abuse incidents in 2023-24

42%

Resulting in a crime



Down from

43%

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.

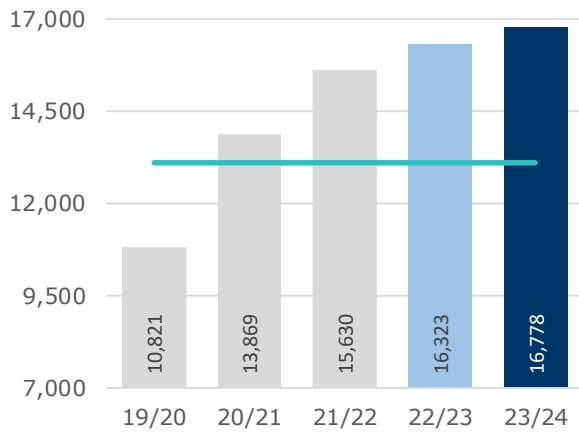
Activity this year has included positive examples of partnership working and co-production, such as:

- Continuation of awareness raising campaigns, including the [That Guy campaign](#). This year Police Scotland engaged with social media influencers to deliver content more effectively to the target audience. This helped deliver over 70,000 views of the campaign video.
- A [podcast created in collaboration with Actions Against Stalking](#). This highlights Police Scotland’s response to stalking and what victims should expect when reporting. The podcast launch on Spotify coincided with National Stalking Awareness Week in April 2024.
- [Signposting to the charity Respect](#), who look to provide behaviour change advice and assistance, working with perpetrators of domestic abuse, male victims and young people who use violence. At the end of 2023 Respect confirmed Police Scotland was their top referring website.

Fraud

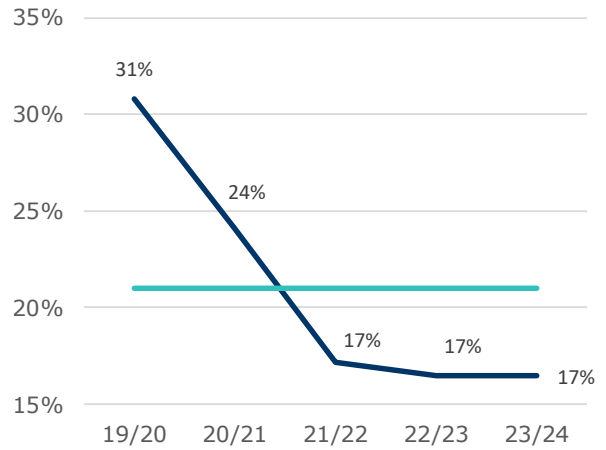
Fraud crimes have continued to rise, increasing 3% compared to last year and 28% from the five-year average. In 2023-24, 16,778 crimes of fraud were recorded, which equates to an average of 46 cases per day. The detection rate remains low at 17%.

Number of crimes



— 5-year average

Detection rate



The majority of frauds now occur online. While the above figures represent victims that reside in Scotland, many online frauds are perpetrated from outside of the UK, making enforcement and investigation much more challenging. 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. Activities this year have included:

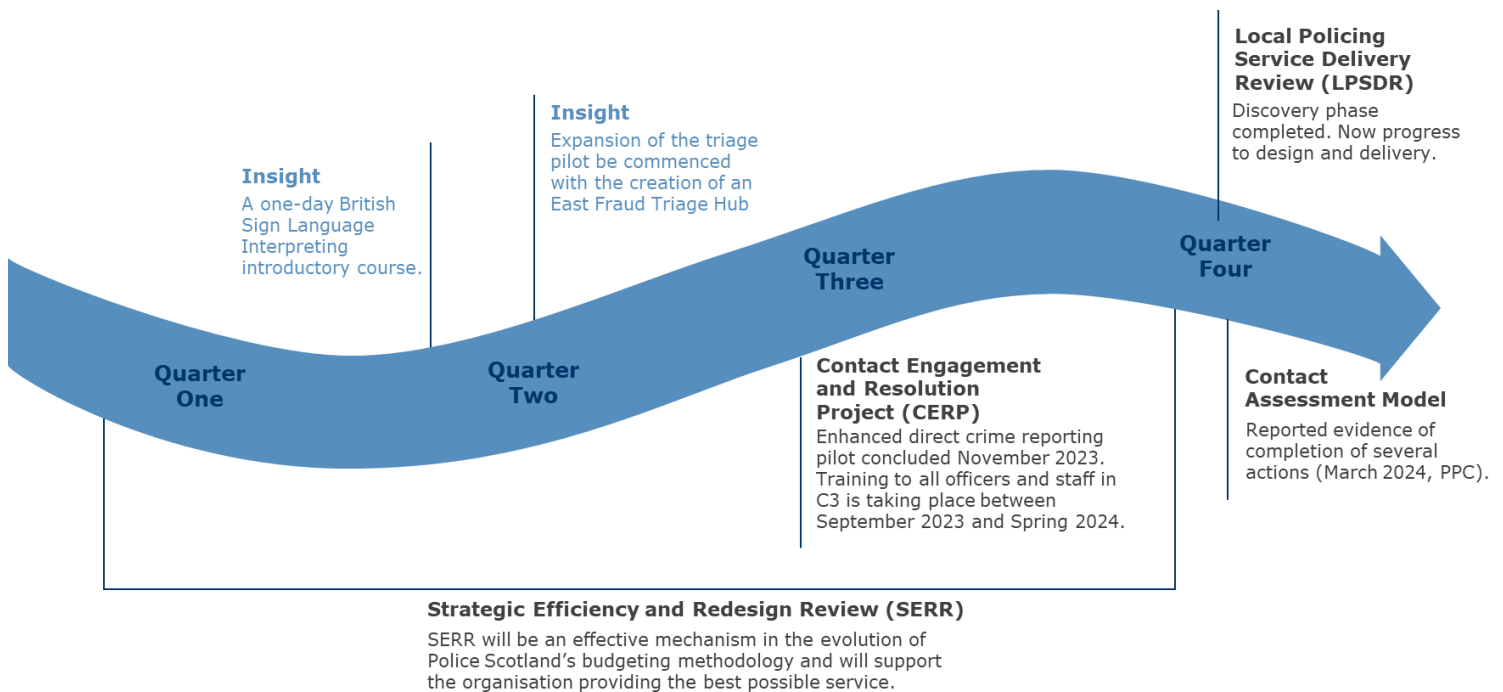
- Continuing the success of [The Banking Protocol](#), a multi-agency initiative between police, banking institutions and Trading Standards. Its aim is to identify vulnerable victims at the who are in the process of being defrauded of funds from their bank accounts and to intervene to prevent these crimes. The Protocol is designed to provide a standardised method for how these concerns are dealt with and reported to police and to stop multiple victimisations. During 2023-24, 1,179 incidents were recorded, amounting to £4.5m of fraud being prevented.
- Launching a [Multi-agency Fraud Triage Hub](#) pilot involving Police Scotland and partners, with the aim of tackling and preventing the escalating threat of fraud. Since its inception, this collaborative approach has grown and has worked on incidents valuing over £10million, with £3million of this having been either stopped or recovered.
- As part of the [Policing in a Digital World Programme](#), Cybercrime within Police Scotland has secured £200,000 funding. This enables the expansion from one specialist unit with limited capacity to an expanded capability across local and specialist teams to increase resource, knowledge and capability. Additional Scottish Government grant funding has also funded the procurement of 24 track and trace cryptocurrency licenses across two software tools, completed in March 2024.

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.

The timeline below shows key activities and achievements from 2023-24, with further details provided in the Chief Constable’s assessment of performance.



Service delivery measures for this outcome focus on call handling and incident response. 2023-24 has seen a further increase in 999 calls and a decrease in 101 calls, with the average answer time for 999 having remained steady but the average time for 101 increasing. Incident demand has increased and this year just under half of all incidents raised required an immediate or prompt response from police officers; 27% of all incidents led to a crime being recorded.

Also included in this outcome are the 2023-24 hate crime figures. While there has been an increase in the number of hate crimes recorded, detection rates have decreased, and the breakdown of the types of hate crime recorded continues to change. It should be noted that the new Hate Crime and Public Order legislation was implemented from 1 April 2024 and will fall into next year’s report.

Call handling

The total number of calls to Police Scotland increased by 6,133 in 2023-24 (0.3%). The number that were made to 999 increased by 73,179 (10%), while the volume of 101 calls decreased by 67,046 (5%). Of the calls received, 38.5% 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 the same as last year. The average answer time for 101 calls has increased, from four minutes 27 seconds to five minutes 33 seconds.

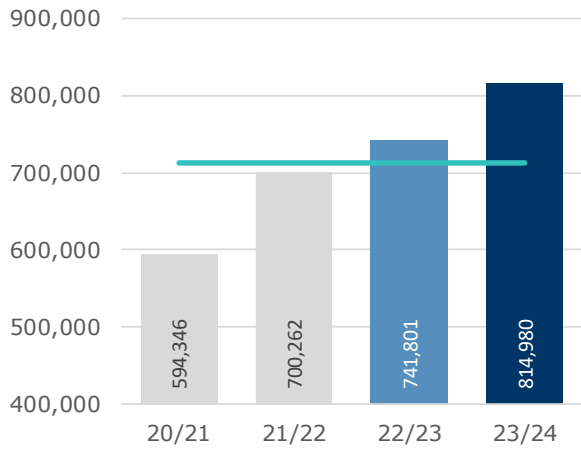
Alongside these calls, 193,155 Contact Us emails were received (8.6% more than last year) and 116,379 online reports. Despite there being a reduction in 101 call volumes, there was an increase of 1% in all contacts handled by the Service Centre due to the increase in contacts by email. Emails and online reports are assessed in the same way as telephone calls using the THRIVE Risk Assessment.

When there is a surge in 999 calls, Advisors from Non-Emergency (101) calls and emails will be re-prioritised in order to answer the emergency 999 calls under 10 seconds. Therefore there is a direct link between any increase in 999 volumes and the average speed of answer for 101 non-emergency call performance.

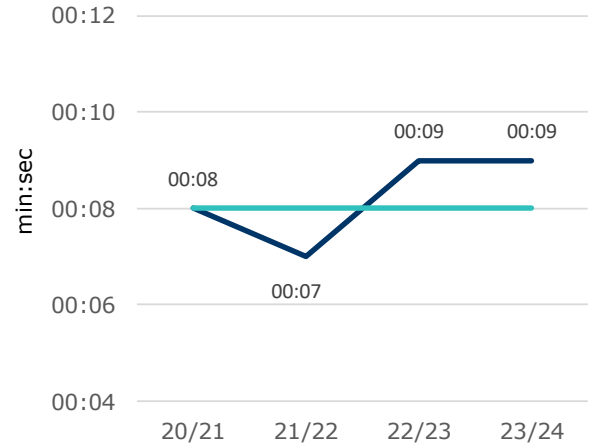
Efforts continue to signpost callers to more appropriate methods of contact, including Contact Us on the Police Scotland website. Social media is used during periods of high demand to inform the public as well as educating the public on correct use of our 999 and 101 contact methods.



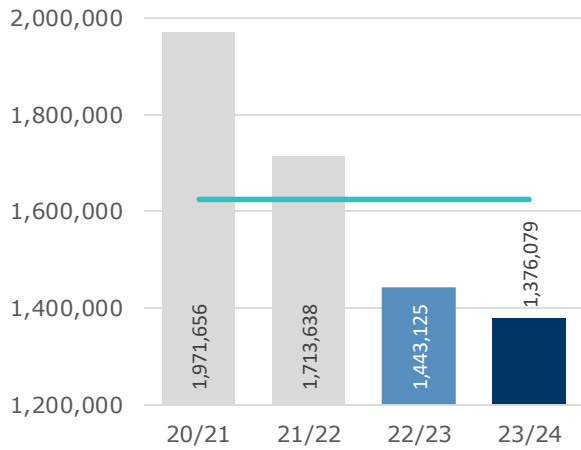
Number of 999 calls



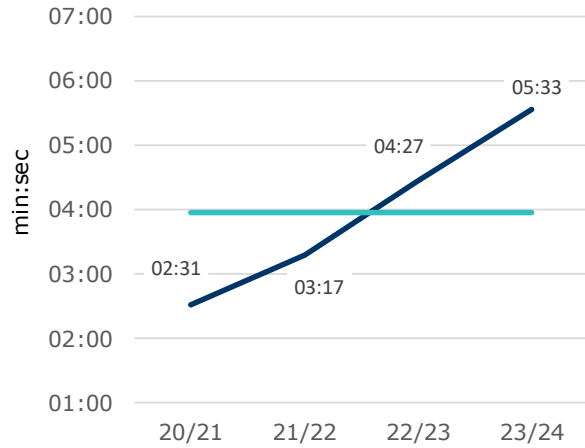
Average answer time



Number of 101 calls



Average answer time



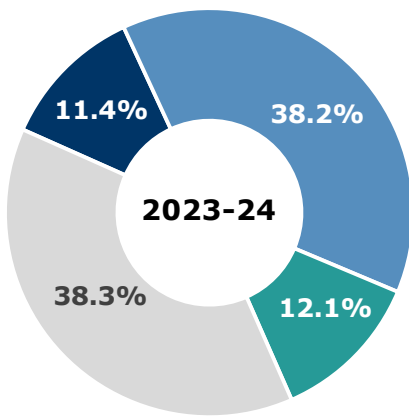
— 4-year average

Incident demand

During 2023-24 there were 1,581,710 incidents raised in total, an increase of 6% from last year. The breakdown of types of response for these incidents is shown in the chart below, where a 'standard response' includes local policing appointment, direct crime recording, and resolution team incidents.

Of all of the incidents, 98% required some kind of police response, while 27% resulted in a crime being recorded.

Response to incidents



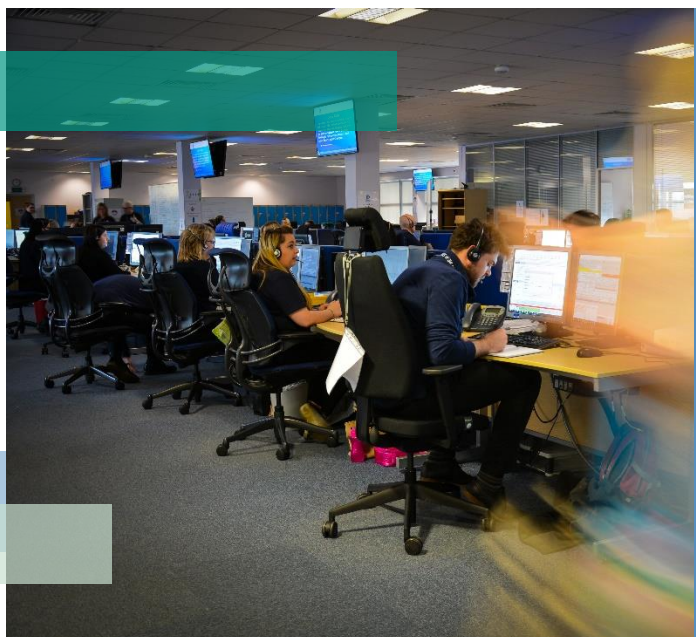
- Incidents requiring immediate response
- Incidents requiring prompt response
- Incidents requiring standard response
- Incidents requiring other resolution

1,581,710

Incidents raised in 2023-24

27%

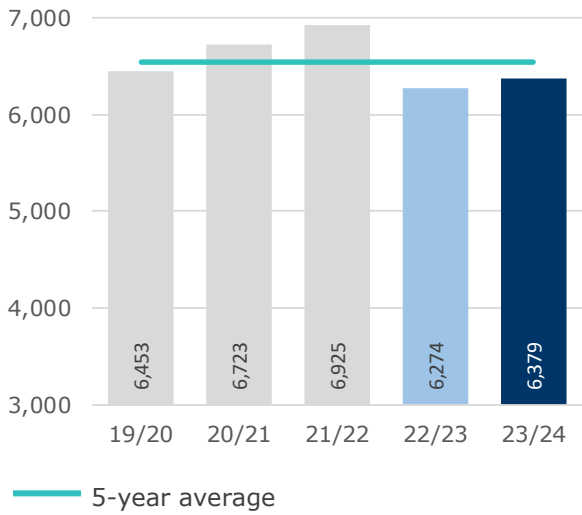
Led to a crime being recorded



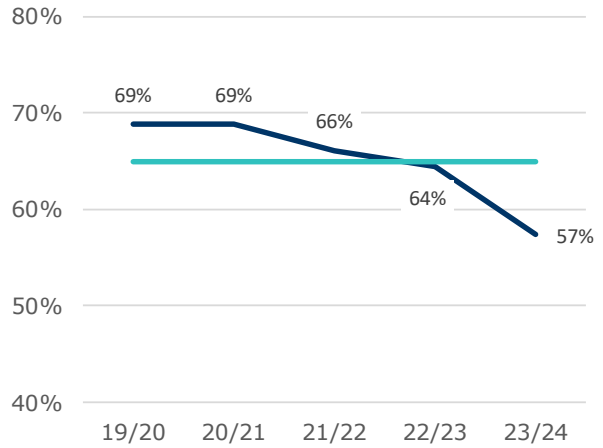
Hate crime

Hate crimes have increased marginally compared to last year but remain below the five-year average. The hate crime detection rate is 7 percentage points lower than last year and 8% below the five-year average. It should be noted that the new Hate Crime and Public Order legislation was implemented from 1 April 2024 and will fall into next year’s report.

Number of crimes



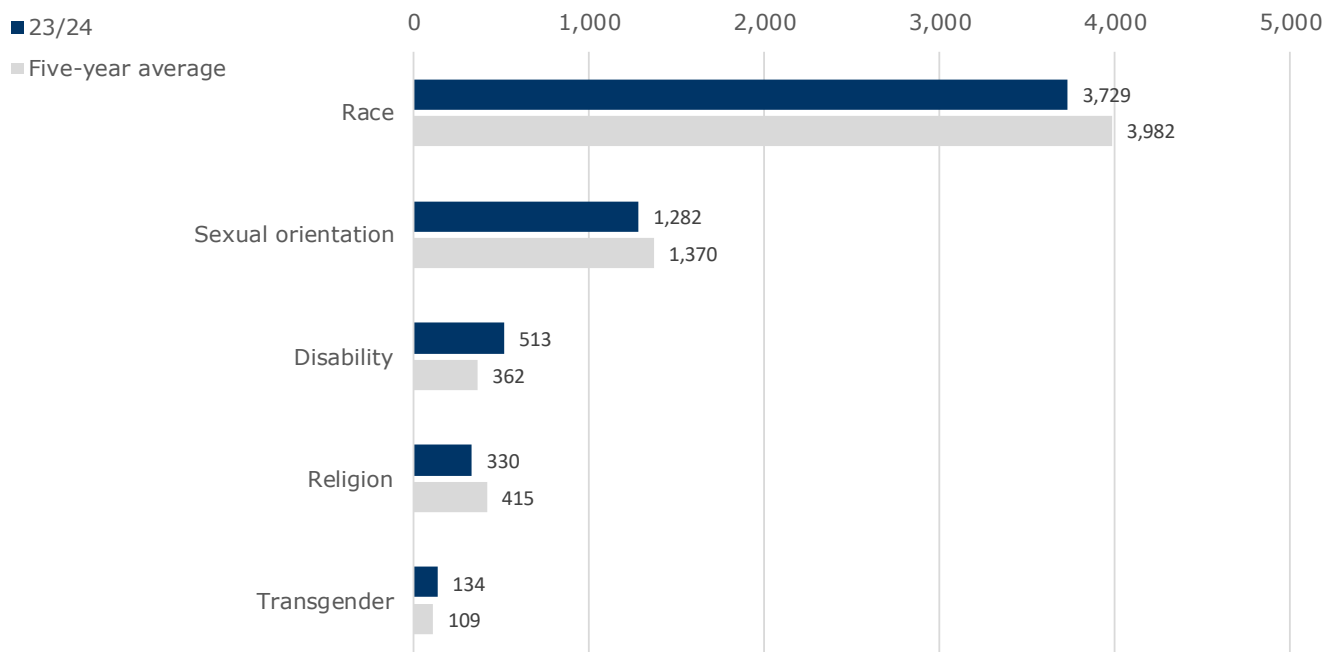
Detection rate



Hate crime with a race aggravator accounts for over 62% of all hate crime, however these crimes have decreased when compared to the five-year average (now 253 fewer).

Religion and Sexual Orientation aggravators have also decreased compared to the five-year average (85 and 88 fewer respectively). However Transgender and Disability related hate crimes are increasing (by 25 and 151 respectively).

Number of hate crimes by aggravator

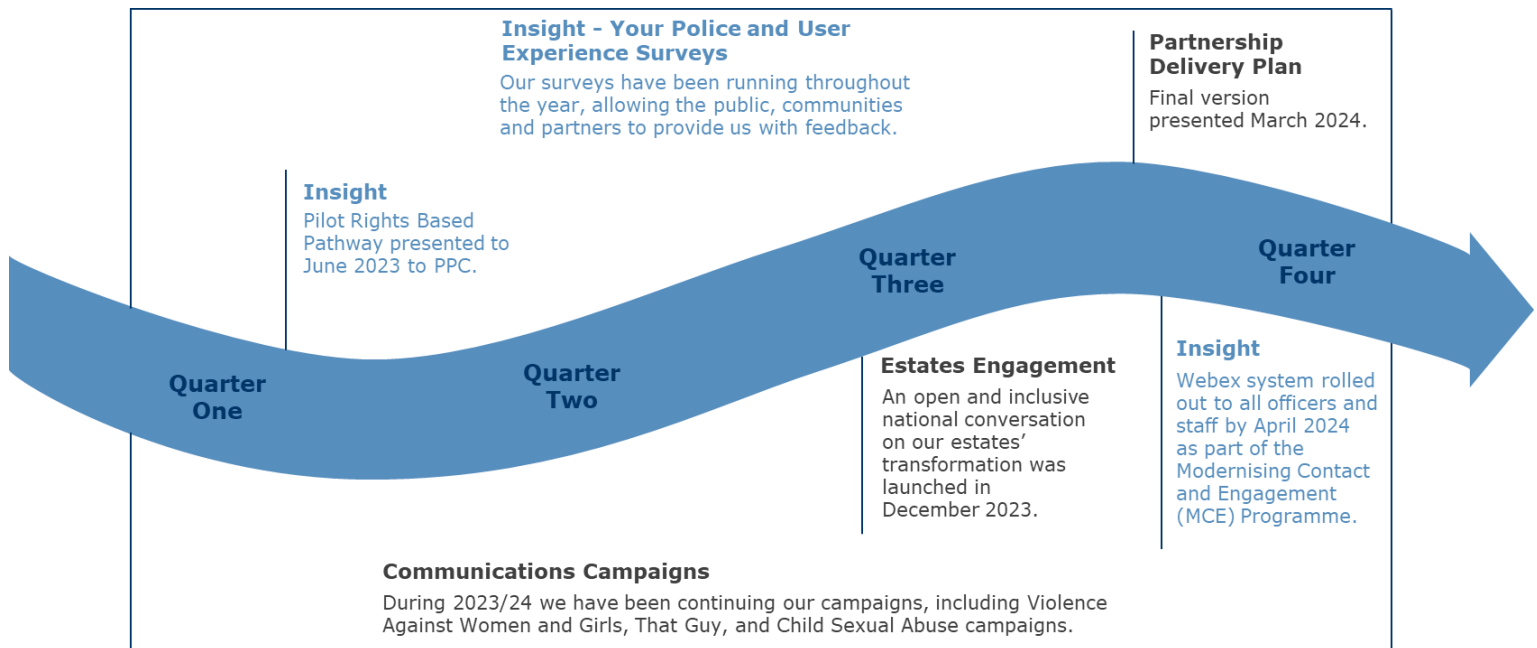


Strategic Outcome 3

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.

The timeline below shows key activities and achievements from 2023-24, with further details provided in the Chief Constable’s assessment of performance.



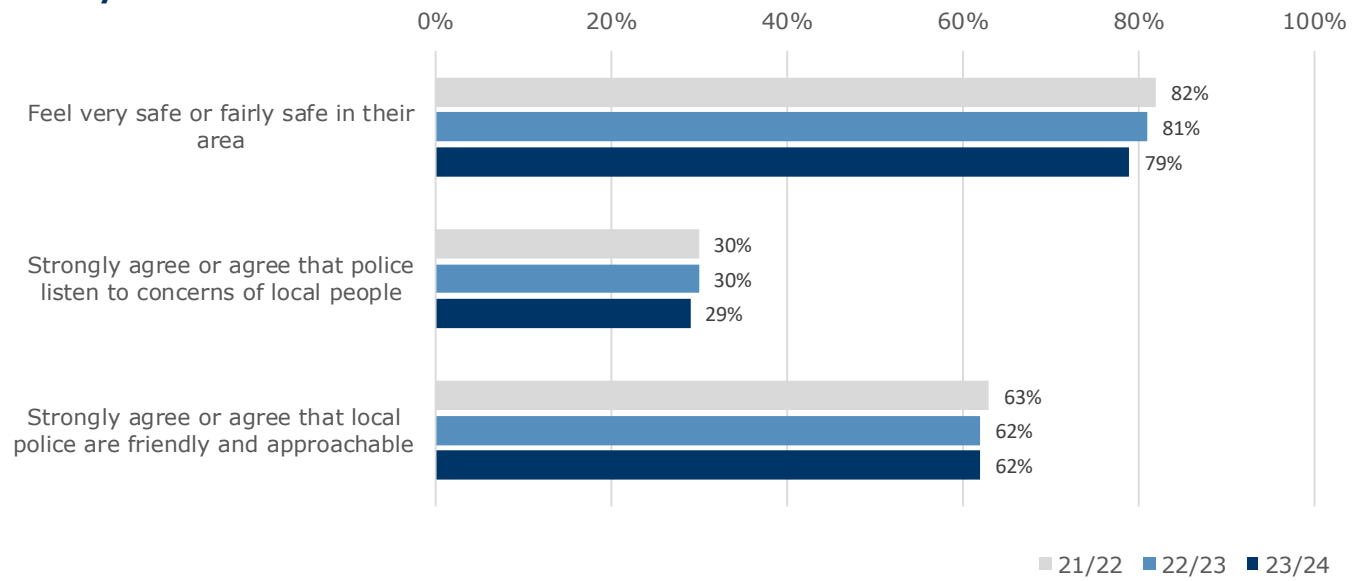
Measures of performance for this outcome relate to a variety of feedback methods that help us to determine confidence in policing. Building and sustaining public confidence and trust is an ongoing challenge, with slight decreases in the proportion of respondents who said they felt safe in their local area and those who agreed that police listened to the concerns of local people. User satisfaction has remained steady.

Public confidence

The Your Police survey continues to be the largest of its kind in the UK, directly involving the public in a conversation about policing and their local community. The survey received 15,262 responses during the year.

The percentage of respondents who said they felt very or fairly safe in their local area has decreased slightly to 79% from 81% last year. The percentage who agreed police listen to the concerns of local people and agreed that local police are friendly and approachable has remained fairly stable. These questions are seen to have strong correlations with the overall confidence in policing.

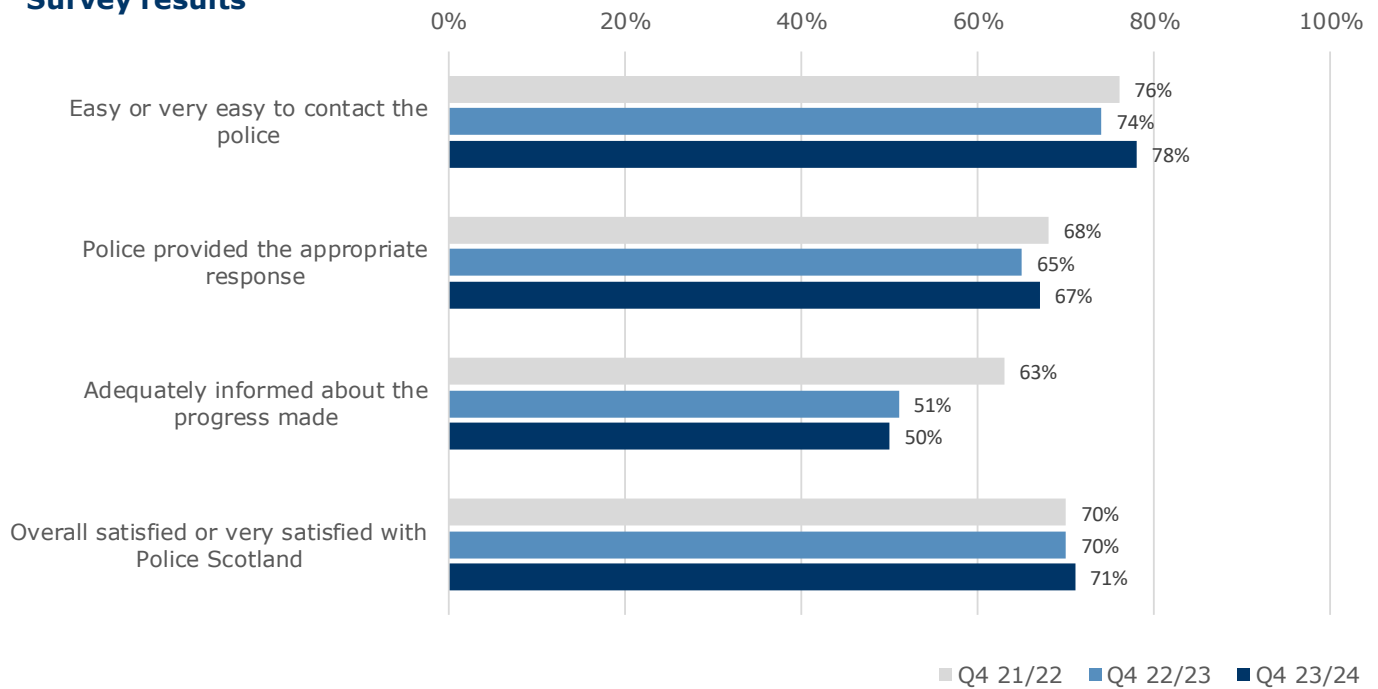
Survey results



User satisfaction

The overall satisfaction of those calling Police Scotland has remained fairly stable during the year, ending at 71% in the final quarter’s survey. Satisfaction has improved in relation to finding it easy to contact the police and the police providing the appropriate response. However, those responding positively in relation to adequate information on progress have decreased as shown below.

Survey results



Positive experiences are correlated most strongly with receiving an appropriate response, satisfaction with attending officers and feeling adequately informed about case progress. Callers responding to the survey state that a positive experience relies on the following:



Quick answer times for 101 and 999



Advisors and officers listening, understanding, and bringing empathy



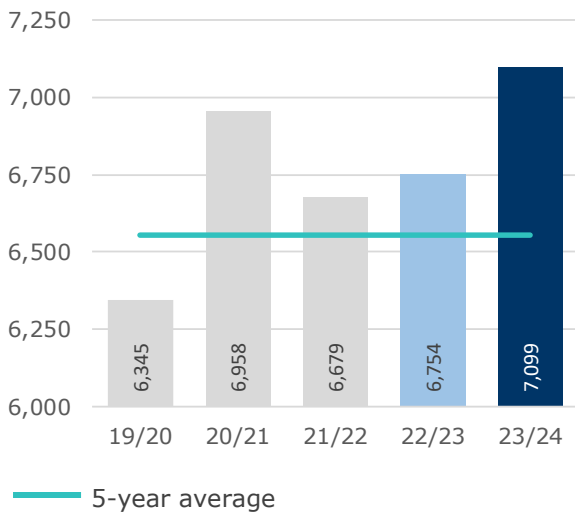
Appropriate and timely updates and call backs

Complaint handling

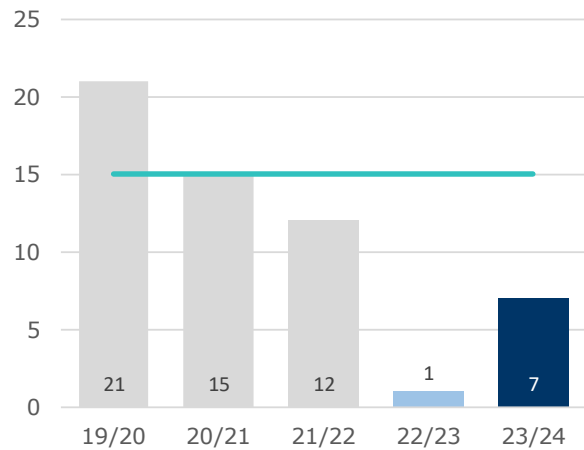
Annual complaints handling performance reports for both the [Authority](#) and [Police Scotland](#) were presented to the Complaints & Conduct Committee in June 2024, along with an annual report on [Police Investigations and Review Commissioner \(PIRC\) Complaint Handling Reviews](#).

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 2023-24 will be published during the 2024 calendar year, 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.

Police Scotland complaints



SPA complaints (inc forensics)



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.

- Following an earlier increasing trend, 2023-24 saw Police Scotland receive the highest volume of complaints in recent years. This is largely attributed to increases in non-criminal complaints, comprising those able to be frontline resolved (FLR) via explanation, assurance or apology and those which require formal investigation and determination. In contrast, overall complaint allegation numbers have continued to reduce in recent years, with 2023-24 seeing the lowest volume since 2018-19. However, Police Scotland have advised that the nature of allegations has become more complex over this period.

- [PIRC Statutory Guidance](#) states that policing bodies should aim to respond to non-criminal complaints requiring investigation (i.e. excluding those closed via FLR) within 56 days, although it is acknowledged that factors such as complexity and seriousness can influence the timescale.

In 2023-24, 10.4% of cases were closed within 56 days, with the average being 236 days – the highest figure in recent years, following an earlier increasing trend.

- The gradual downward trend in the proportion of complaints subject to investigation (both criminal and non-criminal) which are upheld by Police Scotland has continued, with 13.8% of cases upheld in 2023-24.

Following a high of 74% in 2022-23, the proportion of Complaint Handling Reviews (CHRs) assessed by the PIRC as having been 'reasonably handled' by Police Scotland reduced to 57% in 2023-24. Whilst accounting for the effect of the introduction by PIRC of 'discretionary decisions' (i.e. a 5% uplift on the above), this equals the lowest level since 2018-19.

Whilst there was a 22% reduction in the number of CHR applications progressed to review compared to 2022-23, the number of unsupervised reconsideration directions, recommendations and learning points issued by the PIRC each increased. As previously, recommendations continue to consistently identify common themes.

- At the time of writing, the Committee are yet to receive assurance on the discharge of recommendations from the earlier [joint Authority/PIRC audit of triage and assessment of complaints](#).

The Authority recently reintroduced a quarterly process of auditing 5% of closed complaints against the Police Scotland [Complaints about the Police Standard Operating Procedure](#) and the PIRC Statutory Guidance. During 2023-24, a dip-sample was taken of closed complaints from quarter 3 and 4 of 2022-23 and quarter 1 of 2023-24. As with the earlier joint audit (and more recent PIRC audit), this found examples of delays in Police Scotland making contact with complainers (identifying that this was a likely contributing factor in sizeable minority of abandoned complaints each year), as well as instances of incorrect complaint categorisation and inaccurate or incomplete record keeping.

- The PIRC undertook an audit of compliance with the 6-stage process set out in its Statutory Guidance, looking at complaints closed during quarter 2 of 2023-24. Its resulting report identified increasing delays in Police Scotland responding to complaints, as well as issues around communication.

Commenting on the report, the Commissioner states "Overall, the audit has shown a complaint handling system that demonstrates areas of good practice and highlights opportunities for further improvements. We have made ten recommendations that are aimed at improving the service to the public and streamlining processes to enable complaints to be dealt with more quickly." The Committee will consider the report and update from PIRC on Police Scotland progress in discharging recommendations during 2024.25.

In May 2021, Police Scotland implemented a new national complaint handling operating model, which the Committee were advised would result in improvements in the quality and timeliness of the complaint handling process. Whilst this is apparently not supported by the above evidence, it is recognised that demands on the Professional Standards Department (not limited to complaint handling) have increased significantly over the subsequent period amidst tightening resource constraints. Police Scotland recognises that demand now outweighs its resource capacity and has established a group tasked with addressing its complaints backlog and enhancing long-term complaint service delivery.

Engagement has continued with Police Scotland in respect of the development of its assurance reports, with a view to enabling the Authority to provide a more informed assessment as to the suitability of its complaints handling arrangements. Whilst a number of significant improvements and

additional disclosures were made during 2023-24, the Committee continues to seek the development of, and reporting against, targets for completing key stages of the complaints handling process; the diversity profile of those raising complaints or those complained about; the appropriateness of current complaint categories; data on complainant satisfaction; evidence that learning is being identified and actioned to prevent recurring complaints; and improved trend analysis.

Based on the above, the Committee will continue to seek assurance on improvement action being taken to ensure the suitability of Police Scotland complaint handling arrangements going forward.

Data Ethics Framework and Rights Based Pathway

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.

This year Police Scotland enhanced their approach to the Data Ethics Framework and the ethical adoption of technology by creating and presenting a Rights Based Pathway (RBP) to Policing Performance Committee in June 2023. The RBP ensures robust processes in terms of the introduction of technology in Policing and ensures a focus on human rights compliance, key ethical considerations and maximising stakeholder engagement and communication.

Police Scotland understand the need to ensure public confidence and appropriate safeguards in utilising such technologies, however the challenge is to balance this against their statutory obligations in keeping the public safe, whilst making best use of available technologies to assist them in this mission. This was also echoed by the Authority and we are seeking to ensure that we have a balance of governance to introduce new technology. The Rights Based Pathway is therefore the mechanism for policing to deliver against the terms of the Memorandum of Understanding and ensuring a proportionate adoption of technology which ensures public confidence.

The RBP has allowed Police Scotland to adopt two key pieces of technology – the Child Abuse Image Database Facial Matching and BERLA (software used to gain critical investigative information stored within motor vehicle systems.).

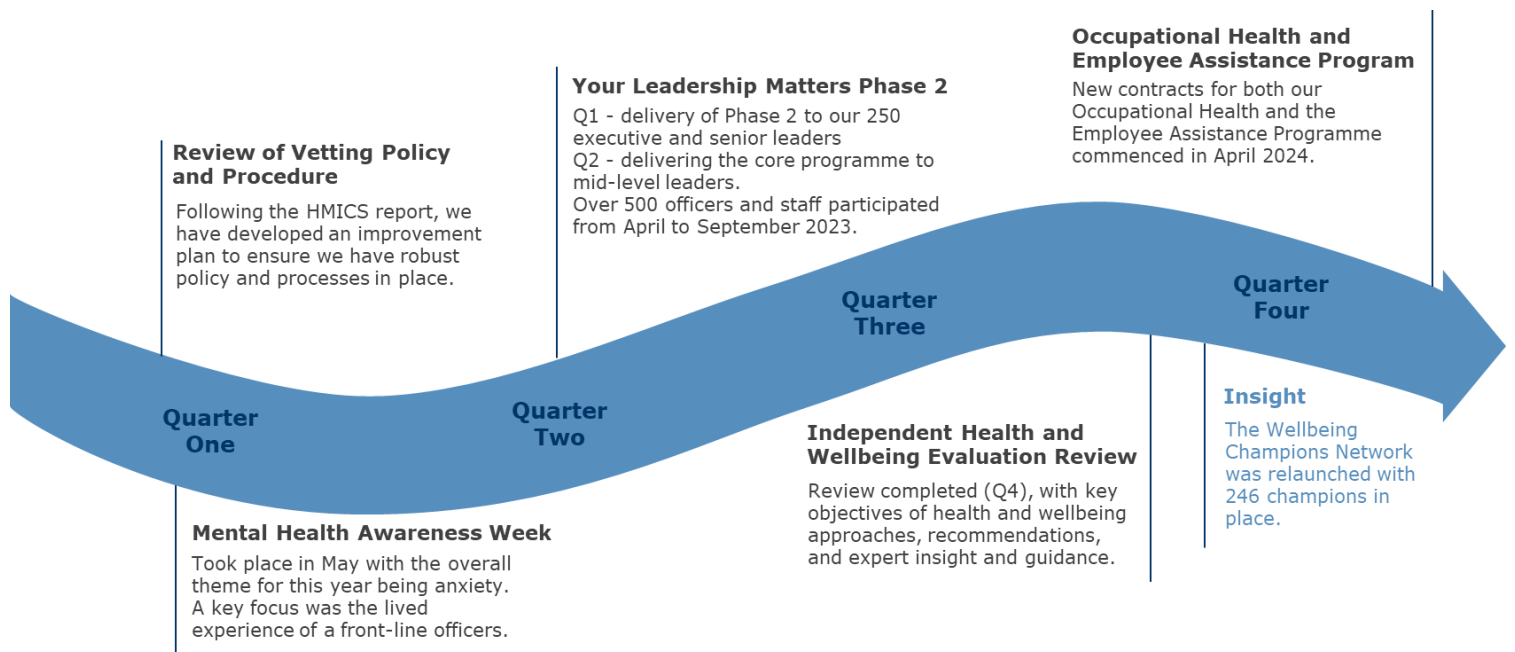


Strategic Outcome 4

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.

The timeline below shows key activities and achievements from 2023-24, with further details provided in the Chief Constable’s assessment of performance.



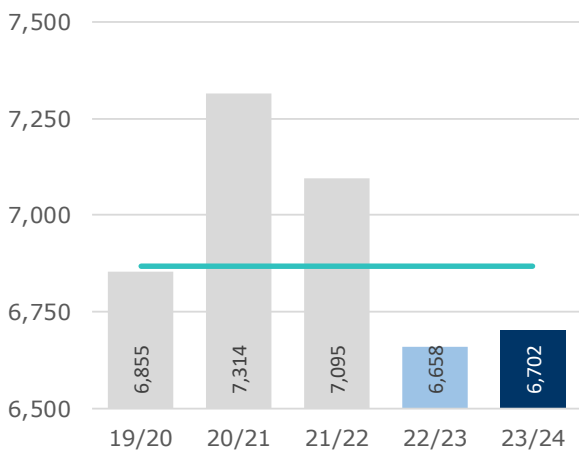
This outcome centres on the safety and wellbeing of the police workforce, and the measures of performance included in this section are key people-related measures. This includes assaults on police officers and staff, which have risen this year, although the percentage leading to injury has fallen slightly. Absence levels for police officers and staff have reduced this year. However, absence due to psychological disorders has increased, and this remains an area of focus for the new financial year.

Assaults on police officers and staff

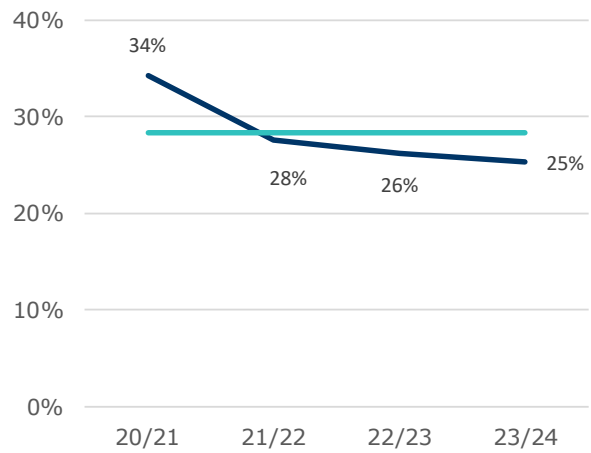
In 2023-24 there were 6,702 assaults on Police Scotland officers and staff, which is an average of 18 assaults every day. This reflects an increase from last year (up 44, 1%) but remains below the five-year average.

Of these assaults, 25% resulted in injury, with 212 reports of an officer or staff member requiring hospital treatment. This represents a slight improvement compared to last year and is below the five-year average. The top three methods of assault against officers / staff in 2023-24 were kicking, spitting and punching.

Number of assaults



Percentage leading to injury



— 5-year average (4-year for assaults leading to injury)

The Health and Wellbeing of officers and staff is fundamental to the delivery of policing in Scotland and the organisation remains committed to supporting our workforce as they work tirelessly in challenging environments to meet the policing needs of Scotland’s communities

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 have 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 81% of people agreeing it would increase their trust and confidence in Police Scotland.

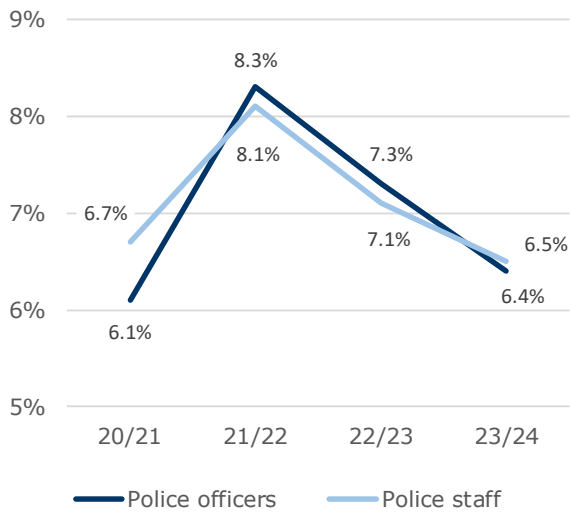
The BWV Full Business Case and Contract award was approved by Resources Committee in February 2024, ensuring this critical project can progress and begin to roll out.

Absence

Absence for both police officers and staff has reduced compared to last year, to 6.4% for officers and 6.5% for staff.

'Psychological Disorders' remains the highest cause of sickness absence across the workforce. There has been an increase of 0.2 percentage points in the percentage of working days lost for police officers who present this as their cause of absence, and 0.5 percentage points for staff.

Percentage of working days lost



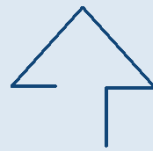
Working days lost due to psychological disorders

1.9%

**Police officer
in 2023-24**

2.2%

**Police staff
in 2023-24**



**Up from 1.7%
last year**



Police Officer and Staff Wellbeing

Recognising the prevalence of psychological ill-health, the Police Scotland Health & Wellbeing programme continues to place focus on prevention and supporting psychological resilience. Recent activity includes:

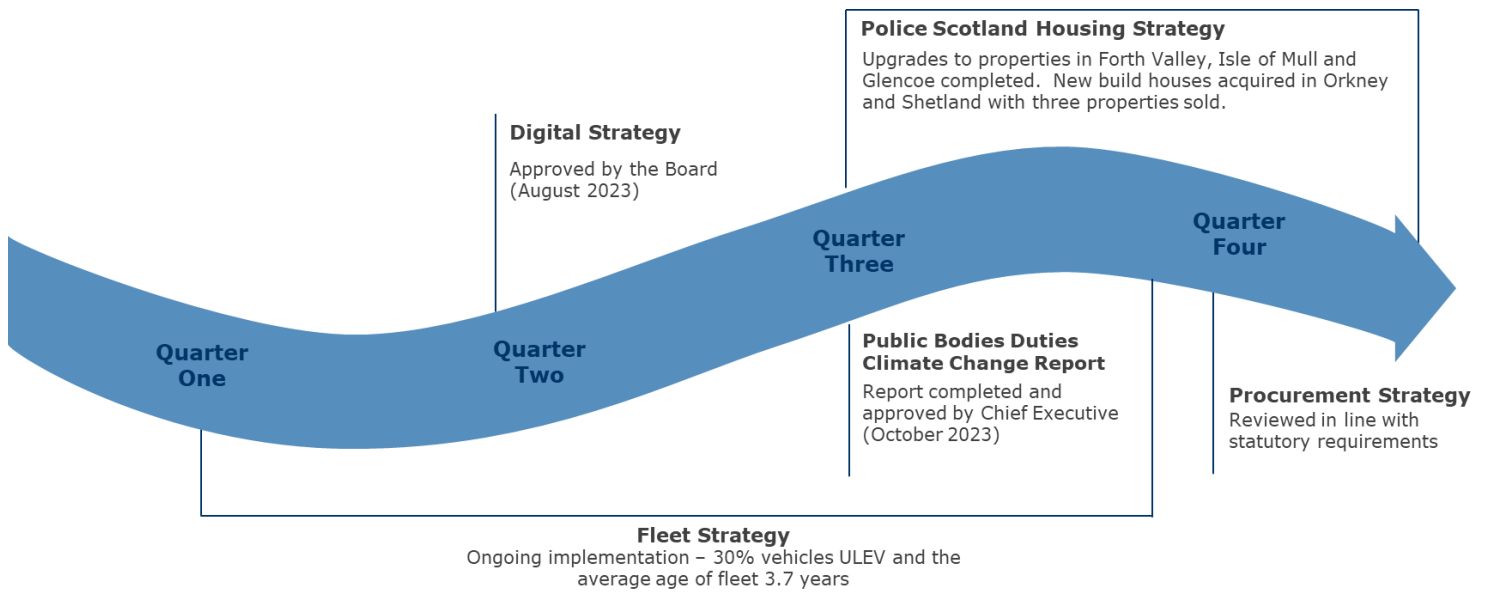
- [Wellbeing Champions Network](#) – a relaunch of the network has taken place with a new cohort of champions now in position ensuing one champion to every 100 officers/staff. Features of the network now include a Webex channel for the network to communicate and share good practice as well as an ongoing CPD programme.
- [Lifelines Scotland Facilitator Programme](#) – the programme continues to progress with more officers and staff undertaking the training to enable them to facilitate crucial Lifelines resilience, self-care and post trauma support training through a Police Scotland / Authority and peer support lens.
- [Occupational Health and Employee Assistance Programme](#) – the new contracts for both our Occupational Health and the Employee Assistance Programme commence in April 2024 involving a number of new innovations, including a new online OH portal, a personalised workplace wellbeing platform, and specialist advice and counselling on a range of topics.

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).

The timeline below shows key activities and achievements from 2023-24, with further details provided in the Chief Constable’s assessment of performance.



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, 22% of the current fleet are now ultra-low emission.

Estates

As at the end of 2023-24, 65 locations (21% of the footprint of the Police Scotland estate) are co-located/shared with partners. New internal and external co-locations were established this year. For example, by working in partnership with South Ayrshire Council we created a new Ayr Police Station.

A new victim support suite in Edinburgh in partnership with NHS and 4 local authorities, new shared training facilities for our Ops Support officers and a new Specialist Crime Hub for various internal specialist functions were also established. Throughout the year, we upgraded 50% of our police housing stock to Scottish Government EESH2 2032 standard as part of an ongoing housing upgrade programme.

We continue to improve the estate with a focus on increasing efficiency whilst improving working conditions. We are also looking to improve the efficiency of heating systems by exploring implementation of non-fossil fuel heating solutions.



Environmental Sustainability

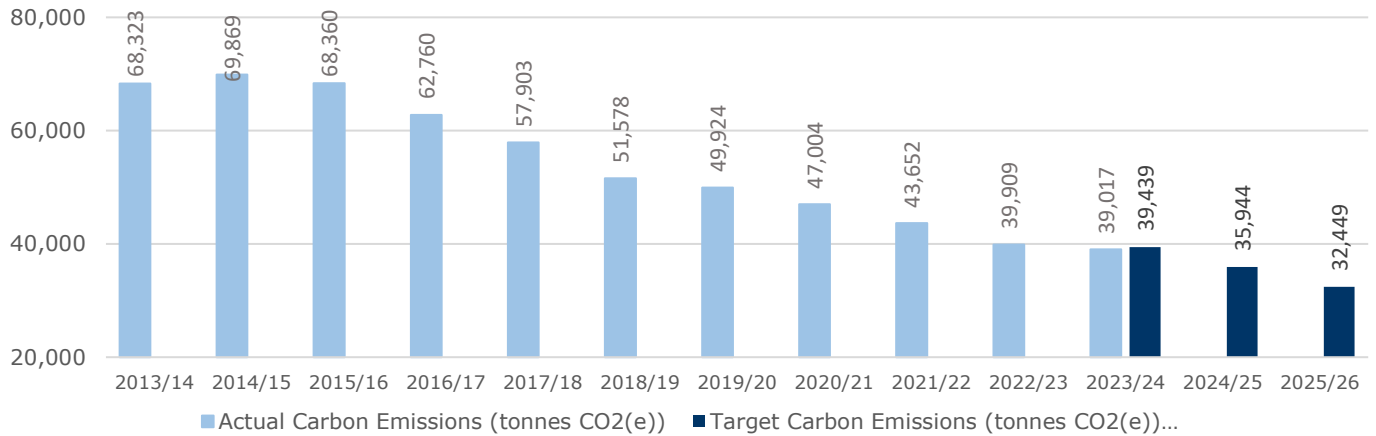
The Service is also required to report on this work in the Public Bodies Duties Climate Change Report to Government each November and the triennial [Biodiversity Duty Report 2021-23](#).

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. The 2023-24 interim data shows that reduction is potentially at risk of being slightly behind target. In 2023-24 our building carbon emission from electricity has increased. This is despite a reduction of 4.3% in building electricity consumption, however, the UK electricity CO₂e factor increased by 7% (compared to 2022) due to an increase in natural gas use in electricity generation. Had the factor remained constant, our emissions would have been 684tCO₂e less and as in previous years, we would have been ahead of target.

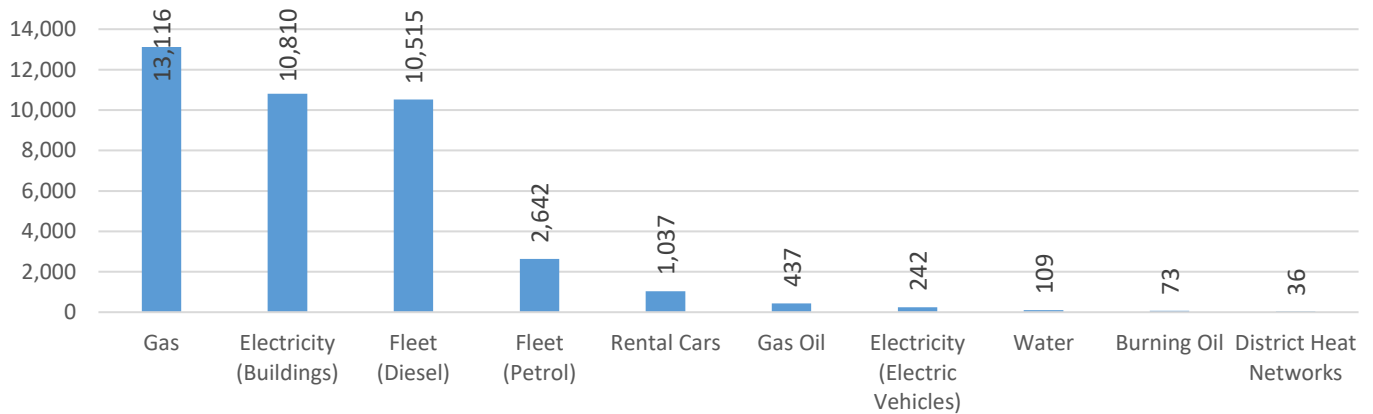
Through an ongoing mix of electrification of the motor fleet, energy efficiency, building rationalisation, implementation of renewable energy generation and a reduction in carbon generation sources for grid electricity we are confident that the target can be achieved. There may have been offsetting increases in indirect emissions due to changes in working practice since the pandemic (with more staff working from their own homes), but this is challenging to quantify.

Sustainability Performance Scorecard 2023-24						
Indicator	2020-21	2021-22	2022-23	2023-24	Trend (23-24 vs 22-23)	Overall Trend
Direct carbon emissions (tonnes of CO ₂ e)						
Estates	30,434	27,357	24,630	24,581	▼	▼
Fuel	16,255	14,722	13,531	13,157	▼	▼
Business mileage	315	317	491	213	▼	▼
Car Hire	N/A	1,247	1,097	1,037	▼	▼
Electric vehicles	N/A	9	160	242	△	△
Total	47,004	43,652	39,909	39,017		
Units of energy consumed (kilowatts/hour kWh)						
Electricity	54,272,696	52,275,663	50,419,549	48,044,610	▼	▼
Electric vehicles	N/A	105,995	756,707	1,074,551	△	△
Gas	84,782,872	78,431,809	71,257,904	71,699,745	▲	▼
Units of fuel consumed (litres)						
Fuel	6,185,507	5,621,148	5,228,708	5,156,305	▼	▼
Waste and renewable energy (kWh generated/ tonnes produced)						
Renewable (kWh)	133,311	187,747	192,691	196,676	△	△
Waste (tonnes)	2,090	2,073	1,833	2,221	▲	▲

Carbon Emissions (tonnes CO₂ (e))



Sources of Carbon Emissions 2023-24 (tonnes CO₂ (e))



Renewables

Police Scotland have completed a technical review of the estate to assess the potential for wider roll out of renewable technology (primarily photovoltaic [PV] or solar panels) with 16 sites identified as suitable for solar PV. The Sustainability/ Energy Team will work with Estates to maximise installation of arrays at these identified sites where possible. 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 operational sites have active solar PV generation that generated 196,676 kWh of electricity in 2023-24 (2022-23: 192,691 kWh). This equates to a carbon emissions saving of approximately 44tCO₂e (2022-23: 42tCO₂e when considering changes to carbon emission conversion factors).

As part of Police Scotland’s housing refurbishment programme, all domestic property refurbishment projects are incorporating solar PV and various forms of renewable heat provision where possible.

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.

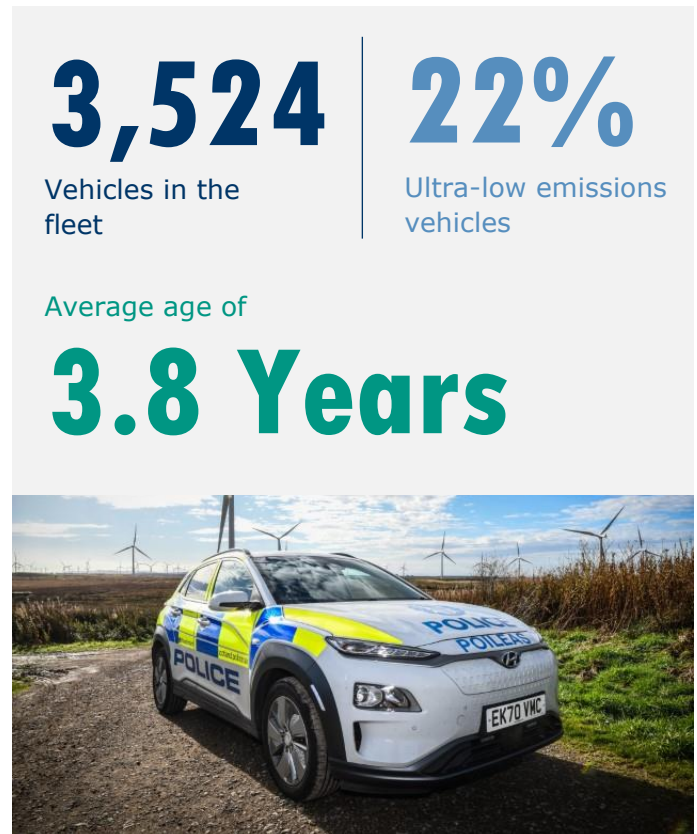
Police Scotland’s fleet is the first blue light fleet in the UK to make that commitment of greening the entire fleet of approximately 3,524 vehicles. The approved Fleet Strategy is to move to fully ULEV by 2030.

ULEV vehicles currently make up 22% of Police Scotland’s overall fleet at the end of 2023-24.

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 3.8 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.



Financial Sustainability

The medium-term financial outlook for the Authority, as indicated by Scottish Government spending reviews, remains challenging. This 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 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. 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, which commits to strengthening existing collaboration on a range of agreed strategic priorities, as well as promoting and supporting partnership working, is underpinned by a [partnership delivery plan](#).

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 Elected Members responsible for scrutiny arrangements across Local Authorities.

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. A webinar was held in March 2024 with Elected Members from across the country to gather feedback on the framework and its use so far, as well promoting discussions around what is working well and what could be improved in local police planning and performance scrutiny more widely. This was followed by a session with Local Authority officials on the same topics, supported by individual meetings with Local Authority officers to continue the discussion and capture any additional feedback. In total 22 out of the 32 Local Authorities in Scotland have been directly engaged with through these mechanisms.

Overall feedback has been positive in respect of both the framework and how planning and scrutiny of performance are working at a local level. Good relationships with Police Scotland have been reported by Local Authorities across the country, as well as appropriate involvement in shaping their Local Plans and routine representation from police at a range of Committees and partnership meetings.

Themes for improvement from these discussions include ensuring consistency across divisions and Local Authorities (LA) performance reporting and other communications, and ensuring LAs are consulted at an early stage on both local and national change programmes and policy developments. There continue to be some concerns around resourcing pressures and capacity challenges for local policing, particularly in more rural and remote areas. LA officers have also expressed their interest in establishing regular network meetings where they can meet with others in similar roles elsewhere. The Authority will work with COSLA and the Improvement Service to take this forward in the coming year.

Forensic Services Performance

During 2023-24 Forensic Services have continued to make progress delivering against agreed strategic objectives reporting against an agreed [Performance Framework](#).

Forensic Services reported on its assessment of performance to the Authority's Forensic Services Committee in August 2024. The following summary highlights key areas of progress made and assesses aspects of performance relating to service delivery across core functional areas such as biology, physical sciences (including toxicology) and scene examination.



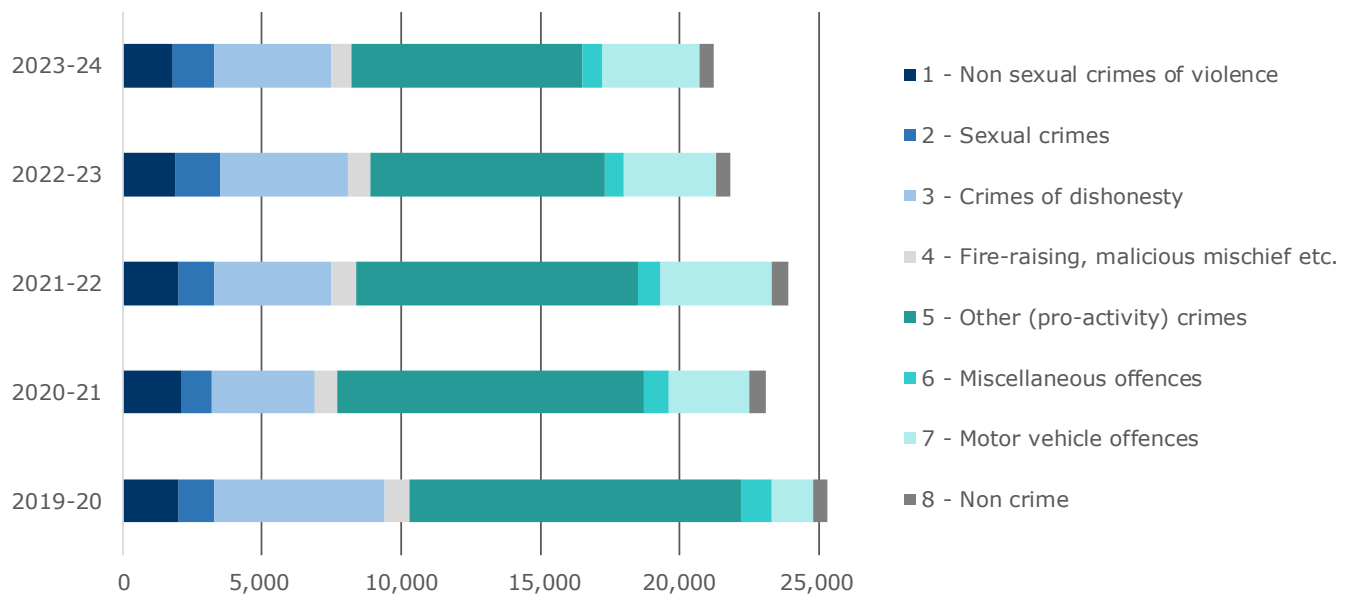
Crime Type Demand

Demand trends for 2023-24 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, while down on the year, has risen from 1,200 to 1,500 cases over the past five years. Group 3 (Crimes of Dishonesty) has fallen after two years of increased demand but remains below pre-pandemic numbers. The caseload for drugs (Group 5 crime) has increased over the year. Group 5 crime is the highest by volume in Forensic Services with more than 95% of these offences relate to possession, supply, or production of drugs.

Approximately 70% of Group 7 demand for Forensic Services relates to Section 4 and 5A of the Road Traffic Act (related to drug-driving). Demand for these has increased by more than 2,000 cases a year following implementation of Section 5A legislation in Scotland in October 2019. A further 10-15% relate to Section 5 – drink driving. Others relate to dangerous driving and road traffic collisions. Output is currently aligned with demand through outsourcing contracts put in place to manage the unanticipated levels of Section 5A demand.

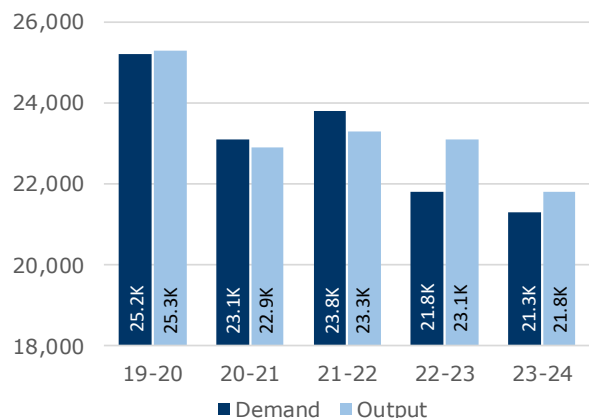
Crime numbers by group and financial year



Laboratory Case Demand and Output

Forensic Services have delivered significant planned developments during the past year with capacity exceeding demand in the majority of business areas allowing improvement to be made on timeliness and reduction of caseloads.

Laboratory Demand & Output

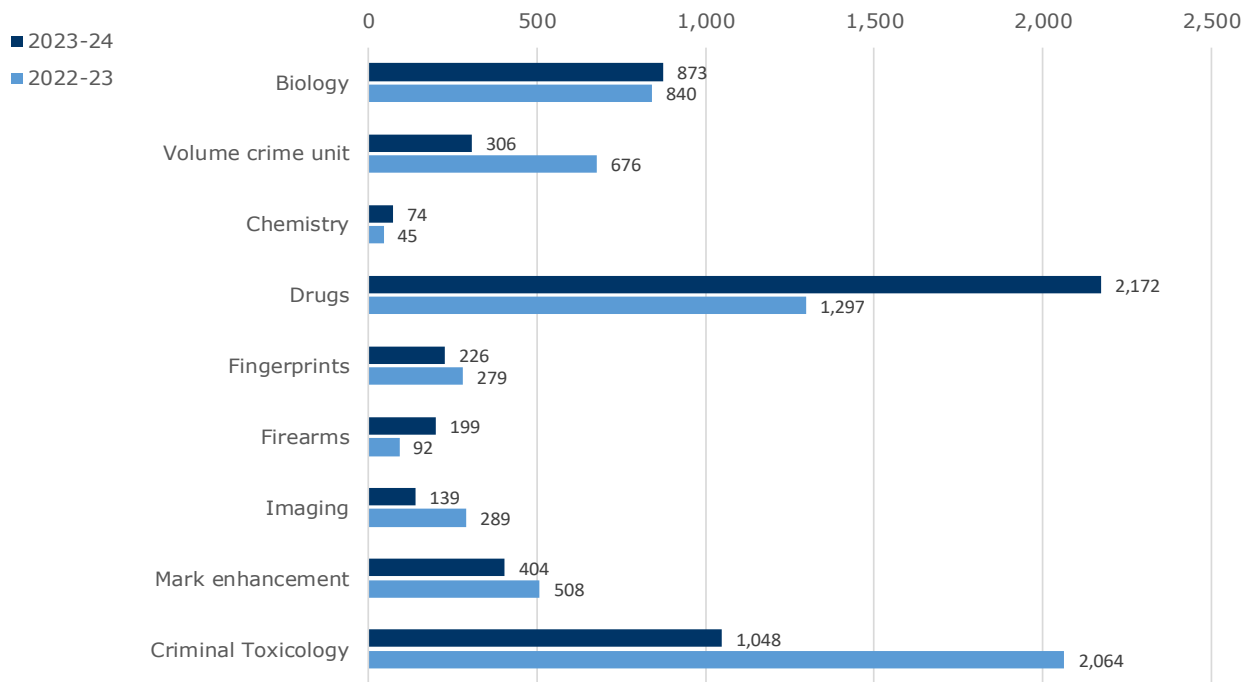


Active Caseload and Ageing

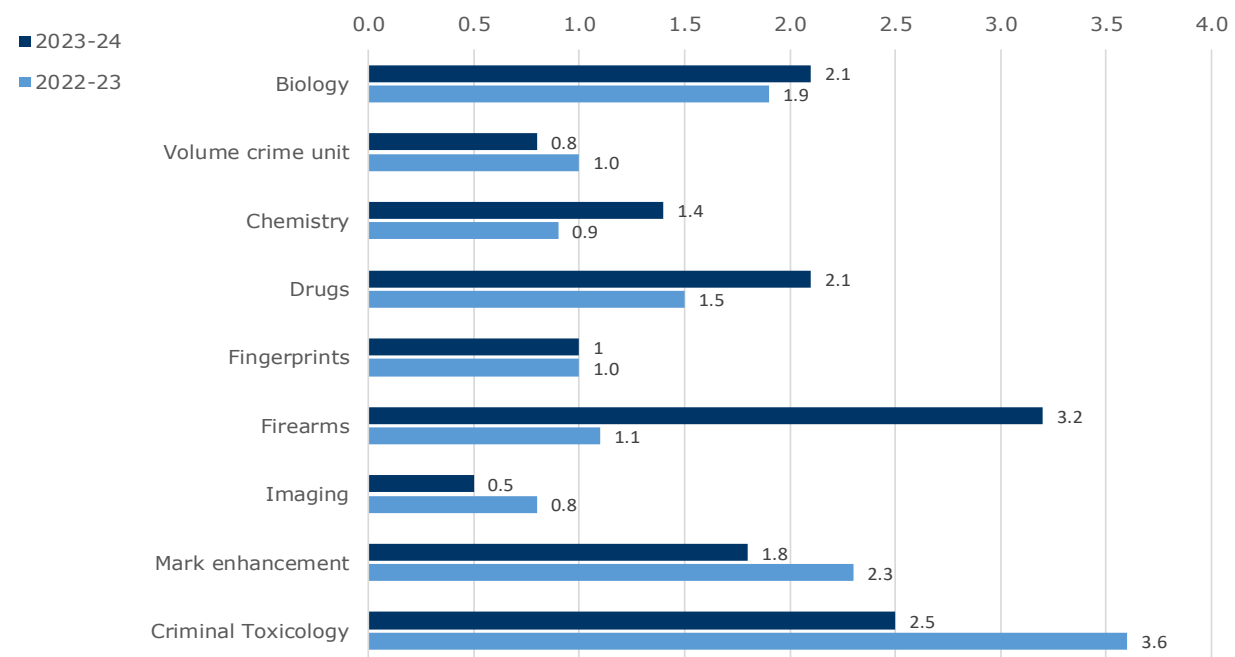
The number of open cases at the end of the year has reduced overall from 6,090 to 5,441 (11%). The largest decreases were in Toxicology (2,064 to 1,048), Volume Crime Unit (676 to 306), Imaging (289 to 139) and Mark Enhancement (508 to 404). The main increase is in relation to Drugs (1,297 to 2,172).

The average age of open cases has remained fairly steady overall when compared to last year. The most marked improvement is again in relation to Toxicology, which has reduced from an average age of 3.6 to 2.5 months. The main increase is in relation to Firearms (1.1 to 3.2 months).

Open cases at year end



Average age of open cases (months)



Post Mortem Toxicology

The new state-of-the-art Moorepark Laboratory in Glasgow was opened on 22 November 2023. The purpose-built laboratory was established with almost £6 million of Scottish Government funding and is the fifth laboratory site for Forensic Services.

The team started reporting cases in May 2023 – meeting their priority case turnaround times by August and non-priority turnaround times by February 2024. The Post Mortem Toxicology Team deals with around 3,900 cases a year, an average of 75 cases per week.

Post Mortem Toxicology services in Scotland had previously been provided through a contractual arrangement with the University of Glasgow. The University of Glasgow had advised in May 2019 that it wanted to end this contract. Formal arrangements for the transfer of staff (whose skills and knowledge of Post Mortem Toxicology were essential to the delivery of the service) happened under TUPE regulations.

New National Tasking Unit

In April 2024, a new Forensic Services National Scenes Tasking Unit, based in Dundee, was created to ensure a consistent approach to the handling of Scene Examination Requests across the country and improve working relationships with Police Scotland colleagues.

New ways of working in Search & Recovery Scenes were successfully delivered and continue to embed within the organisation, which alongside the National Scenes Tasking Unit has resulted in improved use of the Scene Examination resource.

The Forensic Services model ensures primary control of the evidence chain from crime scene to court. An effective approach to performance management is important to the success of the organisation. It ensures we remain focused on what is important to the Scottish public through collaboration with our partners to continue delivering a high quality, timely, fit for purpose and value-for-money service.

Other matters in the year:

- Biometrics** - The Biometrics Commissioner for Scotland has published his first annual assessment on compliance with the Scottish Code of Practice by SPA Forensic Services, and his determination for 2023-24 was that the SPA "are using biometric data and technologies in a lawful, effective, and ethical manner and are currently compliant with the Scottish Biometric Commissioner's Code of Practice".
- UKAS Assessments** - Forensic Services have maintained accreditation to ISO 17025 for more than 25 consecutive years. The full details of accreditation are published on the UKAS website.
- Forensic Services Excellence Awards** - In September 2023 the inaugural Forensic Services Excellence Awards were launched to celebrate and recognise the excellence and innovation that Forensic Services staff deliver to justice service partners for the people of Scotland. There were awards for people and teams across seven categories, and their success. has led to this becoming an annual event.

SPA Corporate Performance

During 2023-24 the Authority has maintained and enhanced its comprehensive approach to the oversight of policing, in line with the [Corporate Strategy for 2023-26](#).

A full report on SPA Corporate Performance during 2023-24 was presented to the Authority's Audit, Risk and Assurance Committee in [May 2024](#). Provided below is a summary of key activities, achievements and ongoing areas of focus.

Public Engagement and Briefings

The Authority has an established programme of independent public polling on confidence in policing in Scotland. Overall, the polling has confirmed that views on policing remain mostly positive as well as identifying some spotlight areas for further monitoring and research. Additional topics explored through polling in 2023-24 include the policing of antisocial behaviour and institutional discrimination in policing. More details are available on this [factsheet](#).

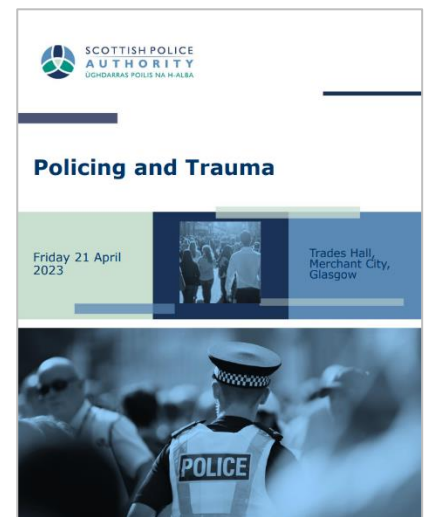
Linked to the public polling findings, the Authority has been working with Police Scotland, local authorities, strategic and third sector partners to better understand variations in levels of confidence in policing in different communities across Scotland. Community projects have been active in Perth & Kinross, North Ayrshire, Fife and Highland Council areas. Project reports are routinely being published on the [Authority's website](#).

In April 2023, the Authority convened a conference on [mental health and trauma in policing](#), focused on the wellbeing of our workforce. A range of speakers and organisations from across Scotland and beyond contributed on the day, bringing together research, insights and knowledge on approaches to prevent, manage and minimise the impact of work based trauma on individuals' physical and mental wellbeing.

The Authority has also published a range of [public briefings](#) and [insight articles](#) on areas of public interest. To support improved communication and accessible information the Authority launched its new website during 2023-24.

Best Value

To demonstrate how Best Value is being achieved in SPA Corporate an [annual self-assessment](#) is undertaken. This year's self-assessment was carried out through seven facilitated workshops involving a range of staff, focused on ensuring robust evidence was in place to support the overall evaluation. The results highlight SPA Corporate are 57% fully compliant with the guidance and 42% partially compliant (with the remaining 1% not applicable). Improvement actions have been identified and have been incorporated into the annual delivery plan, including deep dive reviews around equality and performance management. The self-assessment also informed the [HMICS validated self-evaluation of the Authority's corporate function](#), published in June 2024.



During 2023-24 the Authority agreed and published a strategic partnership delivery plan with COSLA and Police Scotland, developed a framework for the oversight of ethical and human rights considerations and developed a programme of benchmarking with comparator oversight bodies.

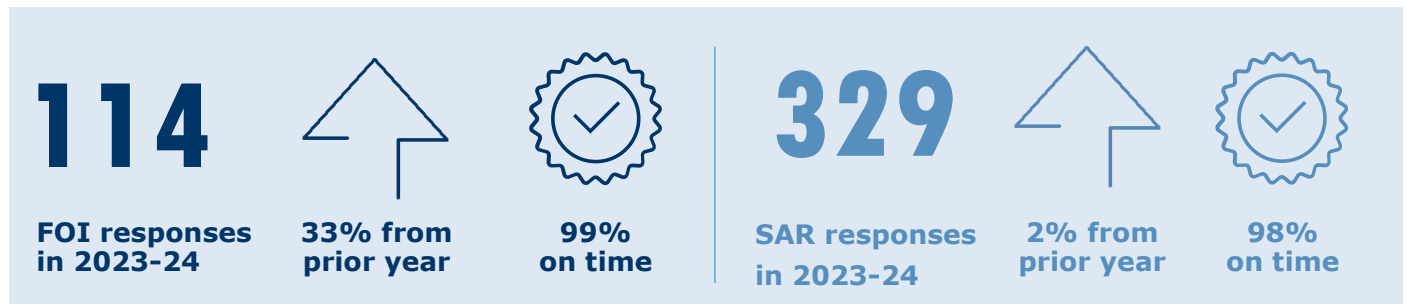
Significant progress was made in 2023-24 in terms of delivering on the public body duties of the Authority, such as development and delivery of the Gaelic Language Plan, improvements to FOI response timeliness, and delivery of improved corporate reporting.

Wider achievements

During 2023-24 the SPA Corporate team supported a series of senior officer recruitment exercises, delivered improvements in ill-health retiral and injury on duty processes and were instrumental in the achievement of the 2023-24 pay award. In relation to complaints processes, no decisions made by the Authority were challenged in the year and the improvements in quality and depth of data reported to committee was acknowledged by HMICS.

The legal team of the Authority continue to support a wide range of diverse work underway across the policing system, offering advice and guidance on implementation and impact of new legislation and processes. 2023-24 saw a significant amount of legal and data security input on the progression of work on Digital Evidence Sharing Capabilities.

This year SPA Corporate has delivered continued positive performance in relation to both Freedom of Information and Subject Access Requests. Despite an increase in demand the majority of requests were responded on time. Seven late responses were due to being linked with an ongoing grievance, and one was caused by a delay from a third party.



Independent Custody Visiting

A total of 1,057 custody visits were carried out this year by our independent custody visitors, speaking with 1,525 persons in custody, representing one third of the number of detainees at the time of visits. Visitors advised they were satisfied with 1,051 (99%) of these visits. A range of detainee concerns were raised and shared with Police Scotland, and an average of 85% of concerns were resolved within the quarter reported. Visitors have noted positive progress being made in the provision of custody services over the year, including progress in partnership working arrangements to enhance the support available to vulnerable people.



The Authority is progress a digitisation project, which will deliver efficiencies in future years as well as enabling quicker identification and resolution of observations made by visitors. The service also achieved the Independent Custody Visiting Association Gold Award in November 2023, showing the excellent standard of custody visiting and volunteer management in Scotland. More details can be found in the [ICVS Annual Report](#).

Financial Performance

Since its creation the Authority and Police Scotland have undergone significant change, delivering both efficiency and service improvement, saving public finances ~£2bn by removing over £200 million from the annual cost base compared to legacy arrangements. Delivering these savings has been a significant achievement but does present an ongoing challenge for the service.

The 2024-25 investment in policing will enable the Authority to continue its journey of transformation and service improvement and will allow a re-shape and re-size of the organisation to meet the challenges of the next 10 years. The organisation is committed to developing a clear vision and target operating model for the future, which will enable us to develop a 3-year plan (Operation Evolve) for the delivery and prioritisation of core services alongside our journey of service and organisational transformation.

The revenue uplift has allowed us to restart police officer recruitment and fund the additional cost of the 2023-24 pay award.

The capital uplift will allow us to deliver our rolling replacement programme and key digital capability such as Body Worn Video. However, with capital requirements significantly higher than the funding available, this still presents a significant challenge to deliver a policing service fit for the 21st century.

These are set out in the annual [Budget 2024/25](#) as approved by the Authority in March 2024.

The 2023/24 budget was approved by the Authority on 23 March 2023 and the 2023-24 outturn is summarised in follow section.



Revenue

The Authority received a £80.0m uplift in core revenue funding for 2023-24 - £37.0m to fund the additional cost of the 2022-23 pay award, leaving £43.0m for allocation in 2023-24. The total funding allowed the Authority to set a balanced revenue budget for 2023-24.

As part of the Autumn Budget Revision (ABR) and Spring Budget Revision (SBR), Scottish Government provided additional funding of: £18.3m to support the 2023-24 pay deal for police officers and staff, £6.4m of funded initiatives and programmes and a £5.2m net reduction in revenue (resource departmental expenditure limit) budgets relating to the impact of IFRS16 technical accounting adjustments for lease payments and lease interest. These are all reflected as in-year budget adjustments.

Table 1 shows that the 2023-24 revenue budget has broken even.

In a challenging year, a number of financial risks were highlighted as part of the budget approval process, some of which materialised in the first half of the financial year causing significant pressure on the 2023-24 revenue position. The quarter one forecast highlighted net unfunded pressures of £18.9m, mainly due to overspends relating to pay; police staff costs, police officer overtime and police officer pensions. Mitigating actions and savings were managed and delivered through our Policing Our Communities programme to bring spend back in line with the funded position, delivering a balanced budget position without the need for any additional contingency funding.

Table 1

Revenue outturn	Revised Budget £m	Outturn £m	Variance £m
Police officer costs	902.8	902.0	0.8
Police staff costs	251.2	258.7	(7.5)
Non-pay costs	188.5	182.8	5.7
Income	(45.5)	(45.9)	0.4
Total Police Scotland	1,297.0	1,297.6	(0.6)
Forensic Services	45.1	44.8	0.3
SPA Corporate	5.6	5.3	0.3
Net Expenditure	1,347.7	1,347.7	0.0
Funding			
Core revenue grant	1,328.2	1,328.2	0.0
Additional revenue grant	18.3	18.3	0.0
Non-core revenue grant (net)	1.2	1.2	0.0
Funding Total	1,347.7	1,347.7	0.0

* Table 1 does not include £20m ring fenced for Reform revenue spend – see Table 3 below.

Capital

As part of the 2023-24 Scottish budget, a total of £4.6m previous reform funding was baselined into the Authority's capital budget. This increased the core capital funding from £45.5m to £50.1m.

The Autumn and Spring Budget Revisions provided additional non-cash funding of £8.4m for IFRS16 technical accounting for leased assets.

The 2023-24 capital budget was over programmed by £32.1m to provide budget holders with the flexibility to plan and manage capital expenditure over a longer time period.

Table 2

Capital outturn	Revised Budget £m	Outturn £m	Variance £m
Expenditure			
Business as usual capital expenditure	55.6	39.8	15.8
Transformation capital expenditure	29.5	15.3	14.2
IFRS 16 – right of use assets	8.4	8.3	0.1
Slippage management*	(32.1)	-	(32.1)
Total expenditure	61.4	63.4	(2.0)
Funding			
Grant in Aid - core	50.1	50.1	0.0
Grant in Aid - other	0.0	0.1	(0.1)
IFRS 16 – right of use assets	8.4	8.4	0.0
Receipts from sale of assets	2.9	2.1	0.8
Other	0.0	2.7	(2.7)
Total funding	(61.4)	(63.4)	(2.0)

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

By quarter two of the financial year over 65% of available funding had been spent. Difficult decisions were required to reduce or slow down capital expenditure to live within the funding available. These measures were ultimately effective in delivering a break-even position against funding by the end of the year.

Overall total expenditure is £2.0m higher than the original budget mainly due to additional investment in fleet and Modern Contact & Engagement which was primarily funded by other grants received.

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.

As part of the 2023-24 budget, a total of £20.0m funding from the Scottish Government was baselined into the Authority's resource budget lines. A further £5.0m from revenue budget was allocated to reform to support change and transformation.

As part of the quarter two forecast, the total reform funding allocation was reduced from £25.0m to £20.0m, with £5.0m used to support the decisions and mitigating actions agreed for the core revenue position.

Table 3 sets out the reform expenditure and the reform funding for which resulted in a break-even position against funding:

Table 3

Revenue reform outturn	Revised Budget £m	Outturn £m	Variance £m
Expenditure			
Transformation resource	17.1	13.1	4.0
Reform projects	7.9	6.9	1.0
Total expenditure	25.0	20.0	5.0
Funding			
Grant in Aid	20.0	20.0	0.0
Contribution from revenue budget	5.0	-	5.0
Total funding	(25.0)	(20.0)	5.0

Statement of financial position

The Statement of Financial Position continues to feature a significant net pension liability of £12.4bn (2022-23: £13.3bn), which represents the actuarial assessment of current and future costs. The 2023-24 net pension liability comprises £12.37bn attributable to the Police Officers' Pension Scheme, and £0.03bn 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. Cash holdings at 31 March 2024 were £15.5m (2022-23: £26.1m, which included £1.3m confiscation balances. These are now disclosed as third-party assets). Additional working capital cash of £15.5m was received from Scottish Government to meet the Authority's general working capital requirements, and in relation to the implementation of the accounting standard IFRS16 Leases (2022-23: £5.4m, wholly IFRS16 related).



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 Annual Report and Accounts (p124). The Comprehensive Net Expenditure indicated within the SOCNE is £656m. 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, p57	1,347.7	
Revenue Outturn (Reform Funding)	Table 3, p59	20.0	
Total Revenue Resource Outturn	Statement of Resource Outturn (p114)		1,367.7
Reconciliation to Statement of Comprehensive Net Expenditure (SOCNE)			
Non-cash costs			
IAS adjustments (pensions)	Reconciliation of Statement of Resource Outturn to Statement of Comprehensive Net Income (p115)	209.1	
Depreciation and Impairment		82.9	
Movement in provisions		8.1	
Other		(2.7)	297.4
Net Expenditure		SOCNE (p124)	
Net loss on revaluations		3.6	
IAS19 (pension) actuarial gain	SOCNE (p124)	(1,092.7)	
Other Comprehensive Expenditure			(1,089.1)
TOTAL Comprehensive Net Expenditure	SOCNE (p124)		576.0

Further information on this position, including funding streams for the items above, is provided in the Statement of Resource Outturn (p114).

Forward financial outlook

2024-25 Budget

The Authority approved the 2024-25 annual budget on 21 March 2024. 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. Throughout the budget setting period the Authority worked closely with Police Scotland and Forensic Services on a joint advocacy approach to our budget ask to Scottish Government.

The Authority received a core revenue funding increase of £75.7m (5.6%), including £18.4m of which was required to meet the additional cost of the 2023-24 pay award, leaving £57.3m for allocation in 2024-25.

Expected cost pressures (premises costs, new technology, ill health retirements and injury pensions), along with inflation across most areas and expectations around the 2024-25 pay award have all been included in the budget. While assumptions have been made as to how much this may be, any variance to this could cause a pressure or opportunity. The overall financial position will be monitored throughout the year.

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 instead be utilised to fund the voluntary redundancy and voluntary early retirement (VR/VER) programme.

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 police staff budget however, this was not achieved – this is intended to be delivered in 2024-25 through the VR/VER programme. There is sufficient flexibility in the budget to make amendments to workforce mix if required.

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 prioritisation has had to take place. Capital receipts estimates will be updated when future disposal plans are confirmed following public consultation. Similar to last year, £25.0m has been ring-fenced to support reform and transformation.

Capital and reform demand and requirements are far in excess of the funding available. 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.

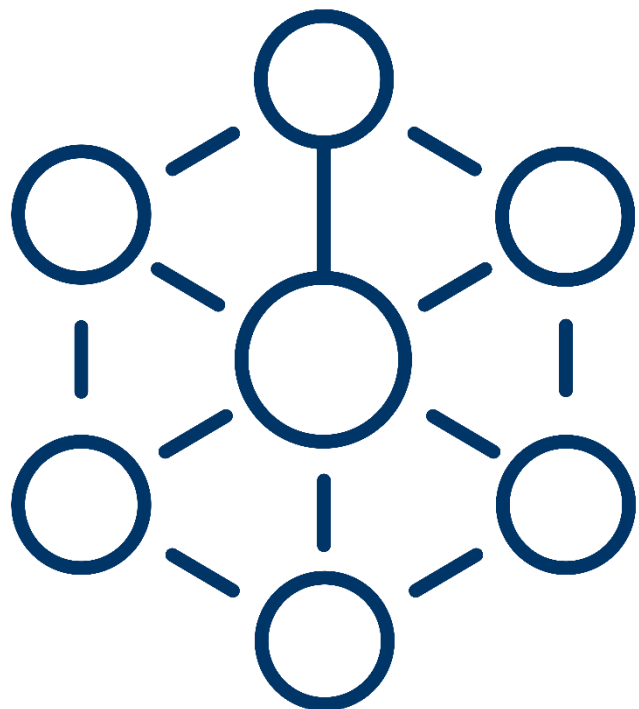
Financial sustainability – longer term financial planning

Police Scotland, supported by the Scottish Police Authority, is committed to developing and delivering a new sustainable model of policing to effectively utilise the available resources, meet the policing priorities and exist in a constrained fiscal environment.

This will enable a medium-term plan to be developed for the delivery and prioritisation of core services alongside our journey of service and organisational transformation.

The plan will drive the change to a new operating model for Police Scotland which will enable the key priorities for the service:

- the prioritisation of service delivery against areas of greatest threat, harm and risk;
- the strengthening of our community policing model to enhance proactivity, problem solving and the prevention of crime and harm; and
- appropriate support for the wellbeing of our officers and staff.



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 Crown Office and Procurator Fiscal Service (COPFS). Detailed procedures are guided by the anti-corruption policy.

The ACU will 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:

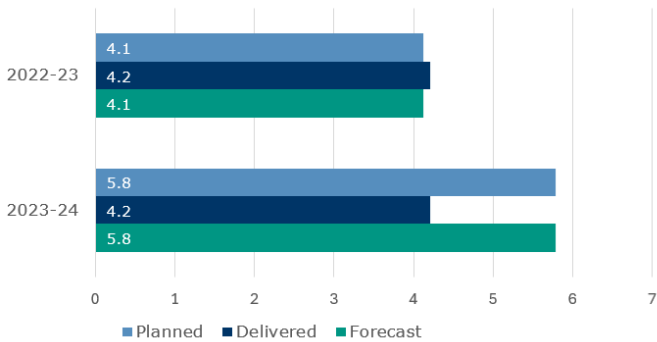
- **Return on Investment and Best Value:** The Authority assesses the achievement of Best Value and return on investment in transformative changes by evaluating individual Business Case costs and benefits, as approved by the Authority.
- **Positive Impact on Operational Policing:** The Authority actively 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. HMICS have highlighted that improvements are required to the reporting and oversight of benefits. The Authority will continue to monitor Police Scotland's approach to benefits management and realisation, ensuring alignment with organisational performance and the delivery of strategic outcomes.

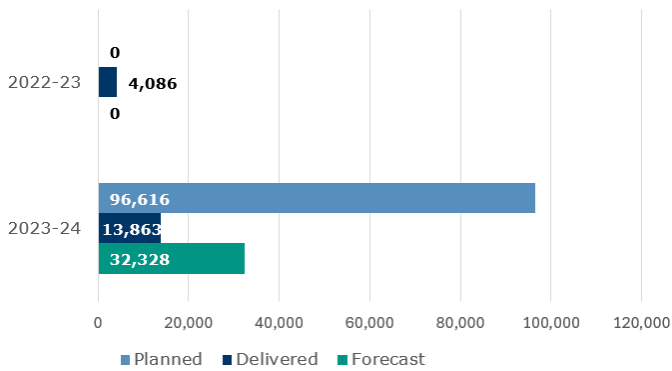


The below tables summarise significant savings from across the change portfolio:

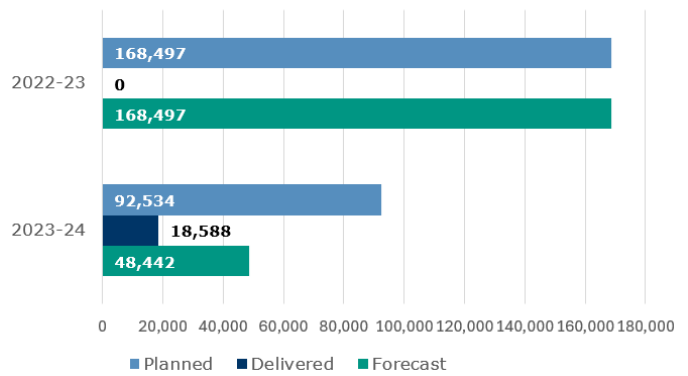
Annual cashable benefits (£m)



Annual non cashable officer efficiencies (hours)



Annual non cashable staff efficiencies (hours)



Notably, there are some gaps in delivered benefits for both officer and staff efficiencies. This is due to projects being delayed in their delivery and there is an expectation that these efficiencies are delivered in 2024/25 – 2025/26. Benefits Realisation is a key area of improvement for the Resources Committee and members have sought an updated Benefits Realisation Framework and Reporting Mechanism.

Looking forward, the Authority is focused on the revised model of policing that will set the future operating model for the service. 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.

Benefits Realisation will be a key component to the Revised Model of Policing and the Authority has begun working with Police Scotland to develop a robust and enhanced approach to benefits realisation as part of the revised model work.

Lynn Brown

Lynn Brown OBE
Chief Executive & Accountable Officer
 31 October 2024

Accountability Report

This section is divided into three parts:

Part 1 Corporate Governance Report

Part 2 Remuneration and Staff Report

Part 3 Parliamentary Accountability
and Audit Report





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

During 2023-24 the Authority was 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

Authority 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 2024
Paul Edie	1 April 2021	31 March 2025
Tom Halpin ³ 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 ⁴	1 April 2017	31 March 2025
Fiona McQueen CBE	1 April 2021	31 March 2025
Michelle Miller ⁵	1 June 2018	31 May 2024
Mary Pitcaithly ⁶ OBE	1 May 2018	30 April 2026
Dr Catriona Stewart	1 April 2021	31 March 2025
Caroline Stuart ⁴	1 April 2017	31 March 2025

1. In January 2021, Martyn Evans was appointed as Chair of the 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 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. She resigned effective from 31 March 2024.
3. In January 2022, Tom Halpin was reappointed for a further four-year term from 28 March 2022 to 27 March 2026.
4. In November 2022, Grant Macrae and Caroline Stuart were reappointed for a further two-year term, from 1 April 2023 to 31 March 2025.
5. In January 2022, Michelle Miller was reappointed for a further four-year term from 1 June 2022 to 31 May 2026. She resigned effective from 31 May 2024.
6. In January 2022, Mary Pitcaithly was reappointed for a further four-year terms from 1 May 2022 to 30 April 2026.

SPA Senior Leadership Team

The table shows the composition of the SPA Senior Leadership Team who had authority or responsibility for directing or controlling the major activities of the SPA during the financial year.

Name	Position
Lynn Brown 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

The table shows the composition of Police Scotland's Force Executive who had authority or responsibility for directing or controlling the major activities of the force during the financial year.

Name	Position
Jo Farrell	Chief Constable (from 9 October 2023)
Sir Iain Livingstone QPM	Chief Constable (to 10 August 2023)
Alan Speirs	Deputy Chief Constable (from 11 August 2023)
Fiona Taylor QPM	Deputy Chief Constable (to 9 February 2024)
Bex Smith	Deputy Chief Constable (from 11 March 2024)
Jane Connors LVO QPM	Deputy Chief Constable
Malcolm Graham KPM	Deputy Chief Constable
David Page	Deputy Chief Officer
Andrew Hendry	Chief Digital and Information Officer
James Gray	Chief Financial Officer
Katy Miller	Director of People and Development
Tom McMahon	Director of Strategy and Analysis

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 Leadership Team \(SLT\)](#) 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.

ACC Ritchie has declared a business interest as an unpaid Non-Executive Director of Police Crime Prevention Initiatives Ltd.

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 £291,050 (2022-23: £274,590) in respect of statutory audit services, for the financial year. No non-audit services were incurred during 2023-24.

Personal data related incidents

The Authority is required to disclose the following: during the year there was one personal data related incidents (2022-23: zero) 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 supports 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 is outlined in the [Corporate Governance Framework](#).

<p>Audit, Risk and Assurance</p> <p>This 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.</p>	<p>Forensic Services</p> <p>This 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.</p>	<p>People</p> <p>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.</p>
<p>Complaints and Conduct</p> <p>This Committee’s role is to provide assurance that the Authority has suitable arrangements for the handling of complaints about the Authority, its staff and senior officers of Police Scotland.</p> <p>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.</p>	<p>Legal</p> <p>This 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.</p> <p>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.</p>	<p>Resources</p> <p>This Committee provides oversight, scrutiny and assurance to the Board on all significant financial and budgetary resourcing matters.</p> <p>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.</p>
<p>Exceptional Circumstances</p> <p>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.</p> <p>The committee is authorised to perform on behalf of the Board, all of the Authority’s functions.</p>	<p>Policing Performance</p> <p>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.</p> <p>The Committee will also consider any proposed changes to operational policing deployments which may have particular public interest, ethical or human rights implications.</p>	

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 Authority for a specific purpose. These Groups have terms of reference and are time limited with no decision-making authority. The terms of reference specify reporting routes to ensure transparency of the activities and outputs from the Group.

During 2023-24 there were two Oversight Groups in place. Oversight Group activity was reported to the Authority and both Groups continue to exist.

Policing Together Oversight Group

The Authority established this Oversight Group in October 2023 to provide enhanced oversight and scrutiny of delivery on the ambition of the "Policing Together" Strategy. The Group's focus is on two areas; to provide assurance to the Authority and enhanced oversight of progress in delivery of the objectives and outcomes of Policing Together and to provide oversight and assurance that delivery is sufficiently prioritised and resourced to drive forward change at pace and to provide oversight and assurance that strong evidence and data are gathered and utilised to understand progress and success.

Revised Model of Policing Oversight Group

The Authority established this Oversight Group in February 2024 to seek assurance on behalf of the Board on the pace and direction of the new model's development by the Chief Constable, and thereby enhance public interest focused governance and strategic oversight on behalf of the Authority.

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 committee's functioning and effectiveness. An effectiveness review was conducted for each committee, informed by members' responses to a range of questions across agreed areas of focus.

The agreed areas of focus for 2023-24 were:

- the quality of reports and briefings to committees;
- how well committees are monitoring progress, following through in questioning, and in seeking evidencing of impact in key areas of their remit; and
- how committees are addressing key themes including exploring organisational culture, capacity and capability.

In addition, members assessed how well they perceived improvement in areas of focus identified in the previous year. The overall evaluation was considered by the Audit, Risk and Assurance Committee which evaluated that committees have effectively discharged their duties in line with their terms of reference with no significant issues highlighted.

Areas for ongoing improvement were identified, including improvement on the length and detail of committee reports and tracking of actions. Members acknowledged progress in the corporate support provided to committees and improving transparency of committee considerations.



Authority Oversight of Change

The Authority is focused on promoting continuous improvement in policy and has a crucial oversight role of transformational change activities. The Authority has continually evolved how the scrutiny of strategic and operational change is undertaken.

A joint memorandum of understanding was co-signed by the Authority Chair and Chief Constable which laid out an agreement to early engagement and robust assessment of any new strategy, policy or practice. This aims to ensure that any proposal is proportionate, justifiable and explainable to partners and the public.

During the year our approach has been coordinated across committees:

<p>Audit, Risk, and Assurance Committee</p> <ul style="list-style-type: none"> • Strategic coordination role. • Responsibility for seeking assurance on behalf of the Board on the overall progress of change across Police Scotland. • Particular focus on identifying risks that may affect the coordinated delivery of the strategic outcomes. 	<p>Resources Committee</p> <ul style="list-style-type: none"> • Focused on evaluating the return on investment, ensuring the delivery of benefits, and ensuring coherence with approved business cases. 	<p>Policing Performance Committee</p> <ul style="list-style-type: none"> • Conducts oversight of specific operational change programmes and projects. • Looks to evidence the improved service delivery resulting from these change initiatives. • Also focuses on compliance and changes to operational tactics and procedures. 	<p>Forensics Services Committee</p> <ul style="list-style-type: none"> • Oversees the end-to-end process of the delivery of the Forensics Services change portfolio.
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During 2023-24 significant areas of transformational change have focused on:

- Digital Evidence Sharing Capability (DESC), which worked towards go-live in early 2024/25. The Authority and the ARAC has played a critical role in overseeing the project whilst in pilot and ensuring compliance with data protection standards.
- Body Worn Video (BWV). The BWV Full Business Case and Contract award was approved by Resources Committee in February 2024, ensuring this critical project for Policing can progress and begin to roll out in 2024/25.
- Child Abuse Image Data Base Facial Matching tool was implemented after proceeding through the Rights Based Pathway and being presented to PPC in June 2023. This technology has drastically reduced the time to assess images of child abuse, previously 10,000 images would take three working days, this now takes one hour.
- BERLA, which allows Police Scotland to gain critical investigative information from motor vehicles, was introduced after presentation to PPC in June 2023. Since it went live in late 2023 there have been 16 approved requests in relation to 20 vehicles which have been involved in high profile murders and multimillion pound frauds linked to international serious and organised crimes.
- Core Operational Solutions continued to roll out across Scotland with the implementation of National Crime and Case, together with legacy data migration across K, L, Q and G divisions. This system is fundamental to the transformation of policing in Scotland, allowing for the first time a single national system for Police Scotland.
- Corporate Transformation – the Strategic Efficiency Redesign & Reinvestment Business Case and Contract Award was approved by the RC in December 2023, again allowing the progress of this significant piece of work to ensure an efficient and effective Police Scotland.

- Estates transformation saw particular focus this year, with an Estates Improvement Programme paper presented to Resources Committee in August 2023 and further update in December 2023. These papers set out a clear direction of travel for the review of the current estate portfolio.

Looking forward, the Authority is focused on the revised model of policing that will set the future operating model for the service. This overarching change strategy will help to coordinate and inform various change projects as well as key underpinning strategies including areas of finance, workforce and digital.

In addition, the Authority has carried out a further review of change oversight, focused on continuous improvement and learning lessons for the most recent changes. This will provide a refocus on the roles of the Resources Committee (RC) and Audit, Risk and Assurance Committee (ARAC). The RC will be focused on the end-to-end investment portfolio including benefits realisation with the ARAC refocused on broader strategic change. The Authority is also working with Police Scotland on the development of enhanced Committee reporting.



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)	13	5	5	0	4	4	5	4	8
Martyn Evans	13/13 C	1*	1*		1*				1*
Jane Ryder OBE (Vice Chair)	11/13				3/4	3/4 C		1*	
Paul Edie	12/13	5/5	4/5		4/4 C		5/5		
Tom Halpin QPM ¹	9/13					1/1	5/5	4/4	6/8
Alasdair Hay	12/13						4/5	4/4 C	8/8
Katharina Kasper	11/13	2/5	5/5 C		4/4		1*	3/4	
Grant Macrae ¹	12/13	4/5	2/2			4/4			8/8 C
Fiona McQueen CBE ¹	12/13		4/5		2/2		5/5 C		1*
Michelle Miller	11/13					3/4	5/5	4/4	1*
Mary Pitcaithly OBE ¹	11/13	5/5 C			2/2			4/4	
Dr Catriona Stewart	12/13	5/5	5/5				1*		
Caroline Stuart	12/13				3/4	4/4			8/8

* Additional attendance recorded where Members were not a formal member of a committee but attended where specific topics had cross committee / Board interest.

1. Changes to Members’ committee responsibilities took effect from [24 August 2023](#); with further changes made [22 February 2024](#).

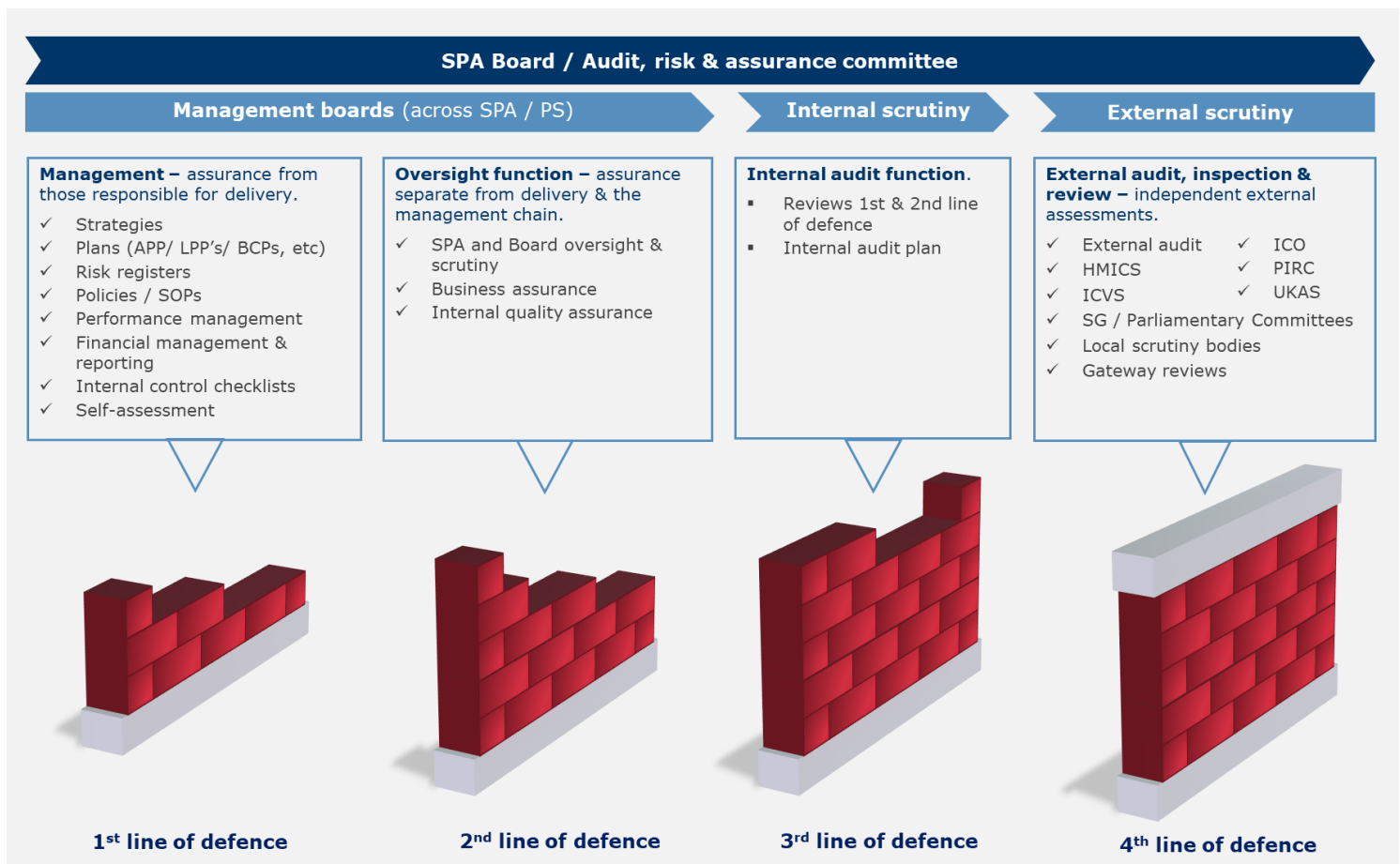
- Grant Macrae stood down from the Complaints and Conduct Committee from August 2023.
- Fiona McQueen stood from the Forensic Services Committee from August 2023.
- Mary Pitcaithly joined the Forensics Services Committee from August 2023.
- Tom Halpin joined the Legal Committee from February 2024.

Assessment of Corporate Governance

Assurance Framework

The Authority’s Assurance 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 included 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.

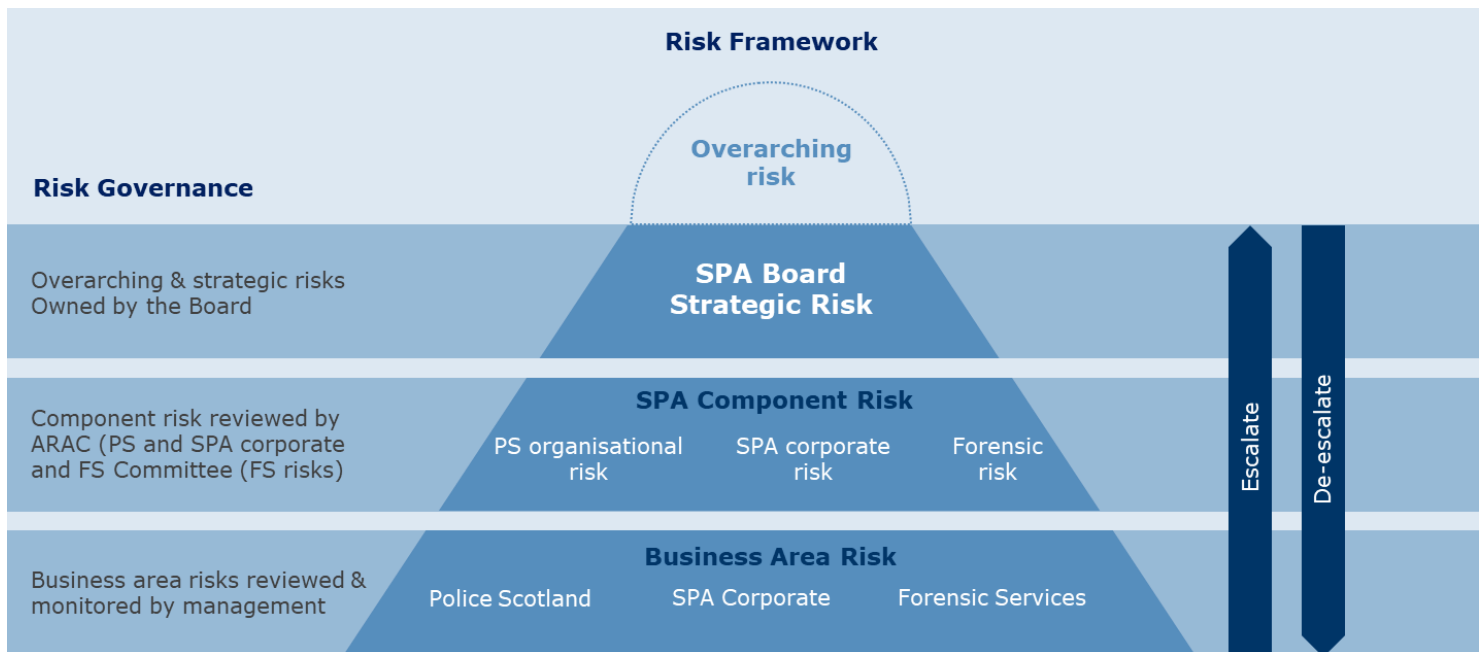
The Authority has a Risk Management Framework that takes a stratified (tiered) approach to risk management across policing. The framework provides a structure to support identification of key risks, analyse the likelihood and impact of the risk materialising and capture the controls in place. Risks are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

The process is in line with guidance from the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2024, and up to the date of approval of the annual report and financial statements.

Risks are regularly reviewed by management using the tiered approach identifying where mitigation is required to be prioritised. 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 also considering forensics risks. In addition, a annual review of strategic risks is undertaken by Members.

Following Member feedback and an Audit Scotland recommendation the Committee has continued to focus 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 a vision to move from 'doing digital to being digital'. It focuses on articulating how digital, data and technology will support the service to address the increasing digital demands of today. The strategy consolidates existing projects ensuring alignment of data, digital and delivery requirements. Ultimately the strategy aims to adapt the service to an increasingly digital-enabled world, by enabling our officers and staff with technology that will help them build better partnerships with the public and partners, investigate the evolving nature of crime, and bring more offenders to justice.

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 continued to achieve Cyber Essentials Plus certification.

During the year there was one personal data related incident (2022-23: zero) 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 2023-24 assurances have been received that there are effective whistleblowing arrangements across the Authority and Police Scotland.

Internal audit

For 2023/24 internal audit work has been carried out by the contracted services of independent auditors, BDO LLP. 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 high rated findings highlighted from three reviews: investment prioritisation, new legislation and grievance process.

Implementation of internal audit recommendations is closely monitored and reported to each meeting of the Audit, Risk and Assurance Committee.

The overall assurance provided by BDO is set out in their [Internal Audit Annual Report 2023/24](#). BDO concluded:

"In our view, based on the reviews undertaken during the period, and in the context of materiality:

- In 4 of the 11 audits performed, the risk management activities and controls in the areas we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on our verification reviews and sample testing, the risk management, control and governance arrangements in these four areas were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control, value for money and governance objectives were achieved for the period under review.
- However, our reviews on 5 audits (Ill Health Retirements and Injury, Electronic Data Retention and iVPD, New legislation, Grievance Process and Investment Prioritisation) found that further work was required to ensure that there are robust controls in place. As such, we are not able to provide reasonable assurance based on our verification review and sample testing, that risk management, control and governance arrangements were designed and operating with sufficient effectiveness in these areas to provide reasonable assurance that the related risk management, control, value for money and governance objectives were achieved for the period under review.
- We have not provided an assurance opinion in respect of 2 of the 11 audits as these were advisory reviews."

Management has agreed actions to resolve the issues and risks raised.

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

HMICS is established under the Police and Fire Reform (Scotland) Act 2012 and has wide ranging powers to look into the 'state, effectiveness and efficiency' of both the Authority and Police Scotland. In addition, they have a statutory duty to inquire into the arrangement made by the Authority and Chief Constable to meet their Best Value and continuous improvement obligations.

HMICS have a three-year scrutiny plan for 2022 to 2025. The Authority was involved in consultation on this scrutiny plan and this longer-term outlook is welcomed. This longer range allows for more effective assurance mapping with other assurance sources. Their approach is to support the Authority and Police Scotland to deliver services that are high quality, continually improving, effective and responsive to local needs.

A summary of the reviews completed during the year with the number of recommendations and the Authority's consider of the report was provided to the [May 2024 ARAC](#). During the financial year there were eight reviews published by HMICS. A committee of the Authority have formally considered, as appropriate, every HMICS reports including their recommendations with HMICS invited to present some reports. This provides the opportunity for Members to consider their findings and how the findings arising from their work will be addressed.

A total of 117 recommendations were raised from these eight reports. HMICS will follow up on these and will reach an agreement when a recommendation can be closed. Progress with implementing the agreed recommendations is monitored and reported quarterly to ARAC.

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 continuous improvement in line with Best Value is a long-term journey.

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 services business plan to address gap. This assessment also formed the basis of the HMICS inspection of the Authority. Police Scotland have reported their plans and progress on demonstrating adherence to Best Value principles to the Audit, Risk and Assurance Committee. An internal audit was also completed during the year which considered the Best Value readiness of Police Scotland.

It has been indicated that the Auditor General for Scotland in collaboration with HMICS will conduct a joint Best Value audit of policing during 2025.

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 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 review 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.

In the previous year's accountability report issues were highlighted in relation to drug driving testing and water safety. Appropriate actions were put in place that have mitigated the issues as well as strengthened controls.

In the current year, significant issues were highlighted within Police Scotland.

- Control weaknesses in grant awards and management have been identified. The issues have been independently reviewed with improvement action agreed.
- Estates asset management planning has highlighted a significant under investment in estates condition and high levels of backlog maintenance. There is a risk of continued deterioration of building conditions and building failure. The revised estates strategy will seek to address these issues.
- Currently and during the financial year the Authority's analysis software is no longer supported by the supplier. The software is in the process of being upgraded to a supported version that is expected to be completed in October 2024.
- Weaknesses related to investment prioritisation have been identified as part of the internal audit of this area with improvement actions agreed.

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 actions are 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 2024 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.

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 for Scotland (PNBS) under the Police Act 1996. The PNBS 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 informed by the terms of Scottish Government's Public Sector Pay Strategy and is subject to negotiation with our recognised Trade Unions.

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

The Chief Constable may award a bonus payment of typically 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 day 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 (subject to audit)

The Board members received the following remuneration for their services.

	2023-24			2022-23		
	Attendance allowance ¹ £'000	Taxable expenses ² £ (To nearest £100)	Total £'000	Attendance allowance ¹ £'000	Taxable expenses ² £ (To nearest £100)	Total £'000
Martyn Evans - Chair	94	2,000	96	92	2,600	95
Jane Ryder OBE - Vice Chair (to 31 March 2024)	36	400	36	36	300	36
Paul Edie	23	300	23	23	400	23
Tom Halpin QPM	21	1,500	22	20	900	21
Alasdair Hay	23	1,600	25	16	400	17
Katharina Kasper ³	21	13,200	34	23	8,300	31
Grant Macrae	20	400	20	22	300	23
Fiona McQueen CBE	23	1,000	24	23	1,100	24
Michelle Miller	13	400	14	17	500	18
Mary Pitcaithly OBE	20	500	20	17	300	17
Dr Catriona Stewart OBE	17	1,000	18	19	300	19
Caroline Stuart	19	200	19	21	100	21
Total	330	22,500	351	329	15,500	345

1. With the agreement of the Scottish Government from 1 April 2023, Authority Members' attendance allowance rates were updated, in line with Public Sector Pay Strategy for Chairs, Board Members and Public Appointments:

Position	Number	2023/24 Daily Rate	2022/23 Daily Rate
Chair	1	£538.92	£534.92
Vice Chair	1	£386.92	£382.92
Member	10	£317.92	£313.92

2. Out of pocket expenses associated with Members' performance of duties at Authority head office are 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 Group 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 for Scotland (PNBS). PNBS Circulars 2023-01 to 2023-07 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 2015 Police Pension Schemes for police officers.

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 (subject to audit)

2023-24 Total Remuneration	Salary and allowances £'000	Pension benefits £'000	Total £'000
Lynn Brown OBE Chief Executive and Accountable Officer	150-155	0	150-155
Chris Brown Deputy Chief Executive - Resources	130-135	40	170-175
Barry Sillers Deputy Chief Executive - Strategy & Performance	130-135	54	185-190
Fiona Douglas Director of Forensic Services	150-155	67	215-220

2022-23 Total Remuneration	Salary and allowances £'000	Pension benefits £'000	Total £'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

Pension values (as at 31 March 2024)

Name	Accrued pension at 31 March 2024	Accrued lump sum at 31 March 2024	Real increase in pension	Real increase in lump sum	CETV¹ as at 31 March 2023	CETV¹ as at 31 March 2024	Real increase in CETV 2023-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chris Brown	10-15	-	2.5-5	-	118	176	44
Barry Sillers	10-15	-	2.5-5	-	119	194	59
Fiona Douglas	25-30	-	2.5-5	-	297	427	109

1. Cash equivalent transfer value (CETV).
2. Lynn Brown chose not to be covered by the Local Government Pension Scheme arrangements during the reporting year.



Police Scotland Force Executive (subject to audit)

2023-24 Total Remuneration	Salary and allowances	Other pay items	Benefits in kind^B	Pension benefits	Total
	£'000	£'000	£ (To nearest £100)	£'000	£'000
Jo Farrell Chief Constable (from 9 October 2023)	115-120	0	0	0	115-120
Full Year Equivalent	245-250				
Sir Iain Livingstone QPM¹ Chief Constable (to 10 August 2023)	90-95	0-5	2,300	12	105-110
Full Year Equivalent	250-255				
Alan Speirs Deputy Chief Constable - Professionalism, Strategy and Engagement (from 11 August 2023)	130-135	0	7,400	139	275-280
Full Year Equivalent	205-210				
Fiona Taylor QPM² Deputy Chief Constable - Professionalism, Strategy and Engagement (to 9 February 2024)	180-185	0-5	7,000	62	250-255
Full Year Equivalent	210-215				
Bex Smith Deputy Chief Constable - Crime and Operational Support (from 11 March 2024)	10-15	0	400	23	35-40
Full-year equivalent	200-205				
Jane Connors LVO QPM³ Deputy Chief Constable - Local Policing	200-205	0	61,900	144	405-410
Malcolm Graham KPM Deputy Chief Constable - Local Policing	200-205	0	7,400	190	400-405
David Page Deputy Chief Officer - Corporate Support	205-210	0	0	61	265-270
Andrew Hendry⁴ Chief Digital and Information Officer - Digital and Transformation	165-170	0	0	73	235-240
James Gray Chief Financial Officer	150-155	0	0	66	215-220
Katy Miller Director of People & Development	130-135	0	0	7	140-145
Tom McMahon Director of Strategy and Analysis	140-145	0	0	82	225-230

Notes to the table are shown on the subsequent pages.

2022-23 Total Remuneration	Salary and allowances	Other pay items	Benefits in kind £ (To nearest £100)	Pension benefits	Total
	£'000	£'000		£'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	7,200	54	250-255
William Kerr OBE KPM¹ 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	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

Notes to the table are shown on the subsequent pages.

Notes to Police Scotland Force Executive Remuneration

2023-24

1. Sir Iain Livingstone received Pay in Lieu of Holiday on his departure within the range £0-£5k.
2. During the period between the retirement of Sir Iain Livingstone and the commencement of the new Chief Constable Jo Farrell, Fiona Taylor received a time-apportioned honorarium equivalent to the additional salary of the Chief Constable. An honorarium element is included in salary and allowances for this period (as stated), of an amount within the range £5-10k. Fiona Taylor received Pay in Lieu of Holiday on her departure within the range £0-£5k.
3. Jane Connors received taxable relocation expenses of £61,889 in 2023-24 which are included in the above table. These costs were in line with the relocation package available to help facilitate the reimbursement of the incremental costs of moving home upon the recruitment or transfer of Chief Officers.
4. Andrew Hendry received a market supplement within the range £10-15k in addition to his basic salary for the financial year 2023-24. The market supplement is included in salary and allowances.
5. Benefits in kind in the above table include all taxable expenses.

2022-23

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.

In addition to those listed above, nine (2022-23: 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 2024)

Name	Accrued pension at 31 March 2024 £'000	Accrued lump sum at 31 March 2024 £'000	Real increase in pension £'000	Real increase in lump sum¹ £'000	CETV¹ as at 31 March 2023 £'000	CETV¹ as at 31 March 2024 £'000	Real increase in CETV 2023-24 £'000
Sir Iain Livingstone QPM	155-160	-	0-2.5	-	3,500	3,776	226
Alan Speirs	95-100	-	5-7.5	-	1,774	1,985	175
Fiona Taylor QPM	20-25	-	2.5-5	-	249	358	79
Bex Smith	55-60	-	0-2.5	-	894	911	13
Jane Connors ² LVO QPM	130-135	-	7.5-10	-	2,692	3,144	339
Malcolm Graham KPM	125-130	-	10-12.5	-	1,814	2,474	575
David Page	20-25	-	2.5-5	-	306	421	84
Andrew Hendry	10-15	-	2.5-5	-	99	180	64
James Gray	25-30	-	2.5-5	-	217	337	98
Jude Helliker ³	-	-	-	-	1,011	-	-
Nicky Page ⁴	-	-	-	-	459	-	-
Katy Miller ⁵	0-5	-	0-2.5	-	5	11	4
Tom McMahon	25-30	-	2.5-5	-	239	358	103

1. Cash equivalent transfer value (CETV).
2. Jane Connors CETV supplied by the actuaries and SPPA as at 31 March 2023 was incorrect and slightly understated. The amount of CETV disclosed last year was £2,681k. The restated figure of CETV as at 31 March 2023 is £2,692k.
3. Jude Helliker retired on 9 October 2022. The accrued pension and CETV shown are as at the date of leaving.
4. Nicky Page, who was Temporary Deputy Director of People & Development, stepped down from that senior position on 5 February 2023 and as such, her accrued pension and CETV shown are as at the date of leaving.
5. Katy Miller opted out of the Local Government Pension Scheme arrangements during the reporting year.
6. Jo Farrell chose not to be covered by the Police Pension Scheme arrangements during the reporting year.

Fair pay (subject to audit)

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 2023-24 was £245,000-£250,000 for the Chief Constable (2022-23: banding £235,000-£240,000), with the mid-point being £247,500 (2022-23: £237,500). This is a change between years of 4% (2022-23 change: 4%).

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 2023-24 was from £23,528 to £247,500 (2022-23: £21,628 to £237,500). 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 8% (2022-23: 4%).

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 £750 – 2023-24 total £8,900; 36% decrease (2022-23: £14,300; 30% decrease on previous year).

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.

2023-24	25 th percentile	Median	75 th percentile
Salary component of pay	£38,594	£45,802	£48,433
Total pay, performance pay and bonuses excluding pension benefits	£38,594	£45,802	£48,433
Pay, performance pay and bonuses excluding pension: pay ratio for highest paid employee	6.4 : 1	5.4 : 1	5.1 : 1

2022-23	25 th percentile	Median	75 th 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

Pay ratio movements are predominantly static from 2022-23 to 2023-24 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 narrowing between 2022-23 and 2023-24. 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 was £2.69 million (2022-23: £2.85m), there was an additional £1.91 million (2022-23: £1.61m) 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 2024, earning £245 per day or greater

Number (No.) of existing engagements as of 31 March 2024	24
Of which, no. that existed:	
• less than 1 year	4
• for between 1 and 2 years	12
• for between 2 and 3 years	3
• for between 3 and 4 years	2
• for 4 or more years	3

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

No. of temporary off-payroll workers engaged during the year ended 31 March 2024	36
Of which:	
• Not subject to off-payroll legislation	-
• Subject to off-payroll legislation and determined as in-scope of IR35	35
• Subject to off-payroll legislation and determined as out-of-scope of IR35	1
No. of engagements reassessed for compliance or assurance purposes during the year	12
• Of which: Number of engagements that saw a change to IR35 status following review	-

Staff Report

Number of senior employees by band (subject to audit)

Banding	As at 31 March 2024	As at 31 March 2023
£100,000 - £109,999	-	3
£110,000 - £119,999	3	2
£120,000 - £129,999	1	3
£130,000 - £139,999	10	11
£140,000 - £149,000	1	3
£150,000 - £159,999	4	-
£190,000 - £199,999	-	4
£200,000 - £210,000	5	-
£230,000 - £239,999	-	1
£240,000 - £249,999	1	-
Total	25	27

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 2024				As at 31 March 2023 ^a			
	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	6	4	40	10
SPA & Police Scotland staff	2,286	3,897	63	6,183	2,330	3,941	63	6,271
Other staff ¹	21	4	16	25	27	7	21	34
Police officers	10,949	5,705	34	16,654	11,098	5,781	34	16,879
Special Constables	266	118	31	384	284	125	31	409
Total	13,535	9,737	42	23,272	13,752	9,867	42	23,619

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

1. Agency and Day Rate Contractors 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.
2. Staff numbers (headcount) restated as at 31 March 2023 to include Day Rate Contractors.

Total staff costs analysis (subject to audit)

2023-24	Board members £'000	Staff £'000	Officers £'000	Other staff £'000	Total £'000
Wages and salaries	330	247,146	790,486	2,689	1,040,651
Social security costs	40	25,154	87,626	-	112,820
Pension costs	-	48,331	24,103	-	72,434
	370	320,631	902,215	2,689	1,225,905
IAS19 pension adj. (note 22)	-	(1,405)	(334,700)	-	(336,105)
	370	319,226	567,515	2,689	889,800
Staff headcount	12	6,192	17,043	25	23,272

2022-23	Board members £'000	Staff £'000	Officers £'000	Other 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 22)	-	54,711	(8,700)	-	46,011
	363	341,868	873,171	2,850	1,218,252
Staff headcount ¹	12	6,281	17,292	34	23,619

1. Staff numbers (headcount) restated as at 31 March 2023 to include Day Rate Contractors.

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 £296,588 (2022-23: £331,805) 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.

Total staff costs have increased from the previous year by £0.3m (27%). This is almost entirely due to IAS19 non-cash pension accounting costs. The underlying total staff costs excluding IAS19 costs increase by £0.05m (4.6%) from the previous year.

Additional staff details

There were eight officers (2022-23: seven), nine staff members (2022-23: seven) and two Special Constables (2022-23: nil) who died during the year. There were also 75 officers (2022-23: 68), and 31 members of staff (2022-23: 40) who retired through ill health.

Exit packages (subject to audit)

During 2023/24, the Scottish Government continued their support for the voluntary redundancy and voluntary early retirement (VR/VER) schemes. As in the previous year, there continues to be a Scottish Government Public Sector Pay Strategy of no compulsory redundancies. Reform funding was made available to maximise sustainable organisational benefits. VR/VER releases represent a significant cost, and must be balanced with other change investments.

Value of package including pension strain costs	2023-24 Total Employees	2022-23 Total Employees
<£10,000	-	1
£10,001 - £25,000	1	3
£25,001 - £50,000	4	3
£50,001 - £100,000	1	4
£100,001 - £150,000	-	1
£150,001 - £200,000	2	-
£200,000 - £250,000	1	2
> £250,000	1	-
Total number of exit packages	10	14

	£'000	£'000
Total cost of agreed departures during the year	1,098	1,037

	£'000	£'000
Total cost of agreed departures during the year excluding Compensatory added years (CAY) estimated future costs	774	820

The VR/VER scheme is open to members of police staff 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 10 releases in 2023-24 (2022-23: 14).

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 seventeen financial settlements were entered into with five employees in the £0-£10,000 range, ten employees in the £10,000-£25,000 range, one employee in the £25,000-£50,000 range and one employee in the > £200,000 range (2022-23: eight 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 117.

Attendance management

The absence management figures for both the Authority and Police Scotland combined, shown as a percentage of working days lost (WDL), are as follows:

	Short term	Long term	2023-24 Overall WDL Absence	Short term	Long term	2022-23 Overall WDL Absence
Staff	45.4%	54.6%	6.5%	49.4%	50.6%	7.1%
Officers	43.8%	56.2%	6.4%	48.5%	51.5%	7.3%

Trade union (TU) facility time reporting

TU facility time		2023-24	2022-23
1	Employees identified as union officials (and full time equivalent)	31(30.6)	24(23.8)
2	Proportion of working time spent on facility time (no. of employees)		
2a	0% of working time	16	5
2b	1-50% of working time	7	12
2c	51-99% of working time	-	1
2d	100% of working time	8	6
3	%age of pay bill spent on facility time ^a	0.04	0.03
4	%age of time spent on trade union activities ^b	5	5

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.

	2023-24	2022-23 ¹
Staff turnover percentage	5.9%	8.4%

1. 2022-23 Staff turnover percentage restated to include Day Rate Contractors.

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.

During the financial year these outcomes were embedded in the people strategy and strategic workforce plan. Progress towards achieving the outcomes is being tracked as part of these plans which ensures ongoing tracking fair work.

Equality & diversity

Institutional Discrimination

In [May 2023](#) the former Chief Constable stated that Police Scotland is institutionally racist and discriminatory. This was essential to demonstrate an absolute commitment to champion equality and become an anti-racist service. This commitment has also been reaffirmed by the current Chief Constable.

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 former 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.

Apology to LGBTQI+ Communities

In May 2024 the current Chief Constable apologised to the LGBTQI+ communities of Scotland for the pain caused through injustices including policing's role in enforcing laws which criminalised love and identity.

The Chief Constable has committed to build an inclusive service for all communities. She also outlined steps to support the community to increase trust and engagement.

Policing Together

Policing Together continues to ensure all employees of Police Scotland treat each other in line with our values whilst ensuring our workforce mirrors, understands and meets the needs of the diverse communities we serve. This approach enhances trust and confidence in policing whilst ultimately strengthening our legitimacy.

The Policing Together strategy is delivered through four pillars with a number of actions that are being progressed. Key progress includes:

Pillar	Key Areas of Progress
<p>Leadership</p>	<p>Your Leadership Matters (YLM) continued to be rolled out with a second rotation of first level leaders being delivered. The programme has received positive evaluation feedback.</p>
<p>Training</p>	<p>Equality diversity and inclusion e-learning has been delivered which has</p> <ul style="list-style-type: none"> • provided a baseline level of knowledge on EDI, • developed deeper levels of self-awareness and reflection; • encouraged leaders to use a values-based approach.
<p>Communication</p>	<p>Communications work has focused on:</p> <ul style="list-style-type: none"> • continuing to embed understanding of institutional discrimination; • supporting the Police Scotland’s cultural calendar; • ‘values behaviour change’ campaign; • explaining and embedding Police Scotland’s Human Rights Framework; and • explaining the progress made implementing Policing Together.
<p>Prevention</p>	<ul style="list-style-type: none"> • The Standards newsletter aims to raise awareness and provide advice to help prevent officers and staff becoming the subject of a complaint of a conduct or disciplinary investigation. • Police Scotland published the outcome of gross misconduct matters. • Promoting the various reporting mechanisms staff can use to report unethical behaviour remains a component part of the programme.

To ensure transparency and accountability, Police Scotland and the Authority jointly publish the [Equality, Diversity and Inclusion \(EDI\) Mainstreaming and Equality Outcomes Progress Report](#). For each outcome, progress is summarised for the period 2021-2023 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 and Accountability Framework and ensures a clear alignment to routine reporting.

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

Reward

Our Pay and Reward Policy is to have a modern, equitable and sustainable organisation. In addition, our People Strategy (2024-2027) sets out a clear commitment to ensure our total reward approach is fair, transparent and recognises achievement.

The Authority has worked extensively with staff associations and trade unions to agree pay deals during the year. The services continue to support the remaining elements of the pay deals, including the introduction of overnight allowances and a revised allowances and expenses procedure for staff.

As part of the wider reward package the service has continued to develop and promote our reward and benefits gateway with new benefits designed to improve our people's physical, financial and mental health. The service has also launched a Salary Sacrifice Shared Cost Additional Voluntary Contributions (SSSCAVC) scheme for staff.

It was agreed that an independent research and review of police officer pay and benefits would be commissioned. The first element relates to wage growth including consideration of the benefits, risks and possible mechanisms to ensure appropriate wage growth in policing. The second element relates to current pay and benefits and will fully consider the unique nature of the officer role in society.

The findings of this work will be brought back to the Police Negotiating Board for Scotland (PNBS) for further consideration. The intention is not to provide explicit recommendations but to provide a shared evidence base to support collaborative working and collective bargaining with regards to future pay negotiations.

Staff Survey – Your Voice Matters

The results of our last wellbeing & engagement survey, 'Your Voice Matters' were published in October 2021 with an implemented plan agreed with five themes and 18 ambitions. To date, 11 ambitions have been delivered and the remaining 7 are longer term. These activities have now been mainstreamed into existing organisational deliverables and workstreams.

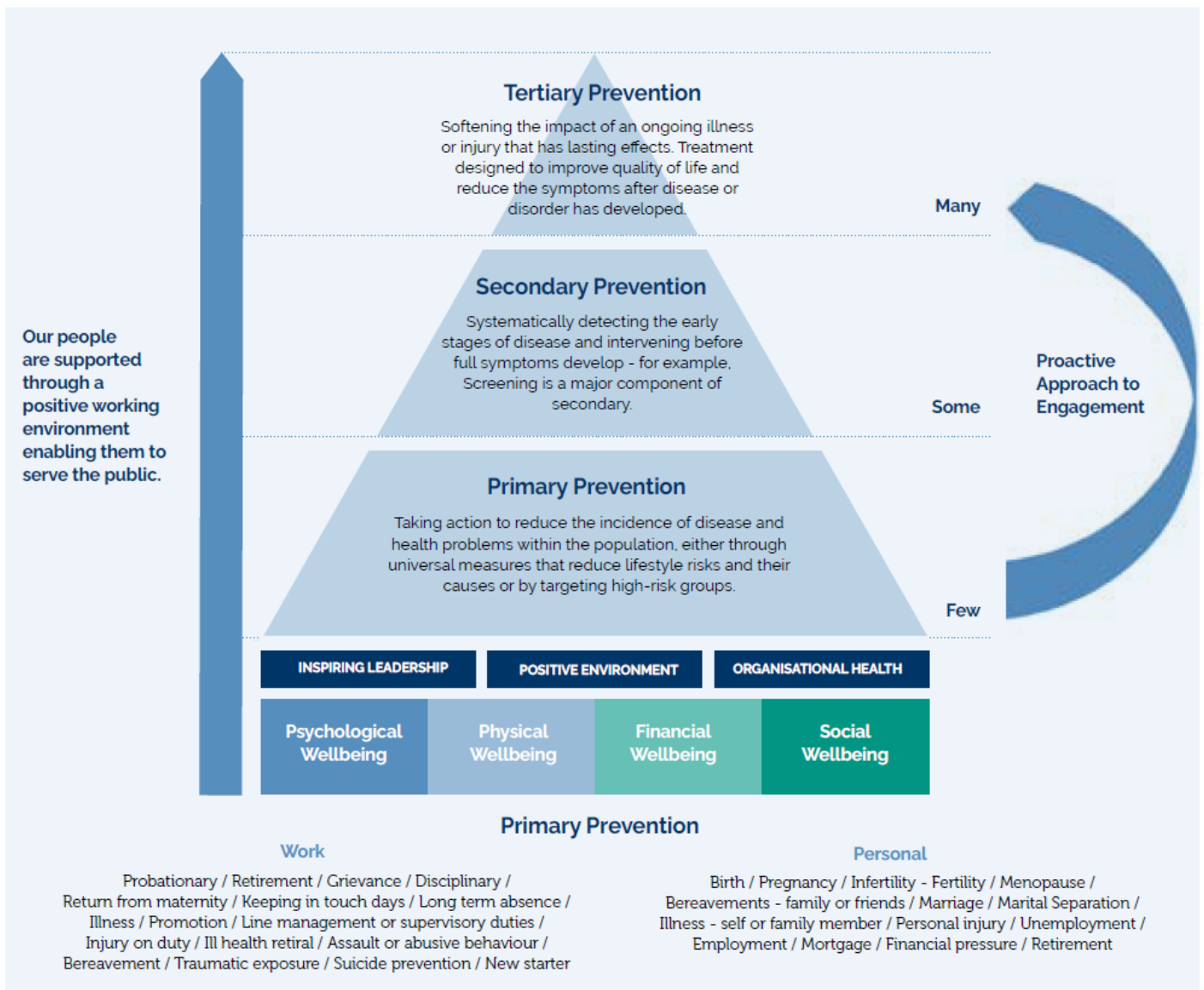
As part of the Annual Police Plan 2024/25 the next organisational survey will be delivered. Working with an independent partner the service will design, deliver and host the survey aligned to the People Strategy that will provide meaningful and actionable data for culture transformation at both an organisational and local level.



Wellbeing

The Joint Strategy for Policing commits to prioritise wellbeing and keep our people safe, well equipped and protected. This is enabled by our People Strategy which pledges to ensure that our people’s physical and mental wellbeing is safeguarded at all stages of their policing careers.

One of the biggest drivers for this is our Your Wellbeing Matters programme which promotes and embeds an inclusive approach to wellbeing. It adopts prevention focused measures and promoting good practice to ensure our people feel informed, valued, and supported. Our Health and Wellbeing framework model intends to understand and consider what our people are experiencing both inside and outside of work while utilising a proactive, preventative, and person-centred approach to wellbeing.



Throughout 2023/24, we have continued to provide ‘fit for purpose’ tools and support which empowers and enables our people to take positive action in relation to their health and wellbeing. We have also undertaken an independent health and wellbeing evaluation and review with Thrivewise to assess our current approach and to seek recommendations for improvements. This year we have also secured new occupational health and employee assistance programme contacts to improve support to our people and work is progressing to deliver a workforce mental health action plan to develop the organisations approach and culture around supporting mental health.

Health and Safety

The Health and Safety Department's provide assurance in relation to health and safety law. They do this through governance, support, building relationships with police and staff and monitoring of accident/incident/near miss data to ensure continuous improvement.

A Health and Safety Strategic Action Plan (2024-2027) is in place which provides a focus on areas of continuous improvement. The action plan has five key objectives supported by a comprehensive implementation plan.

Accident Statistics

Most RIDDORs reported to the Health and Safety Executive (HSE) are those that have resulted in an over 7-day absence. The number of RIDDORs is 2.4% of all incidents recorded, which is low considering the nature of policing and the number of employees. The data gathered is scrutinised, with any trends or patterns used to identify interventions that could further mitigate harm or risk to police officers or staff.

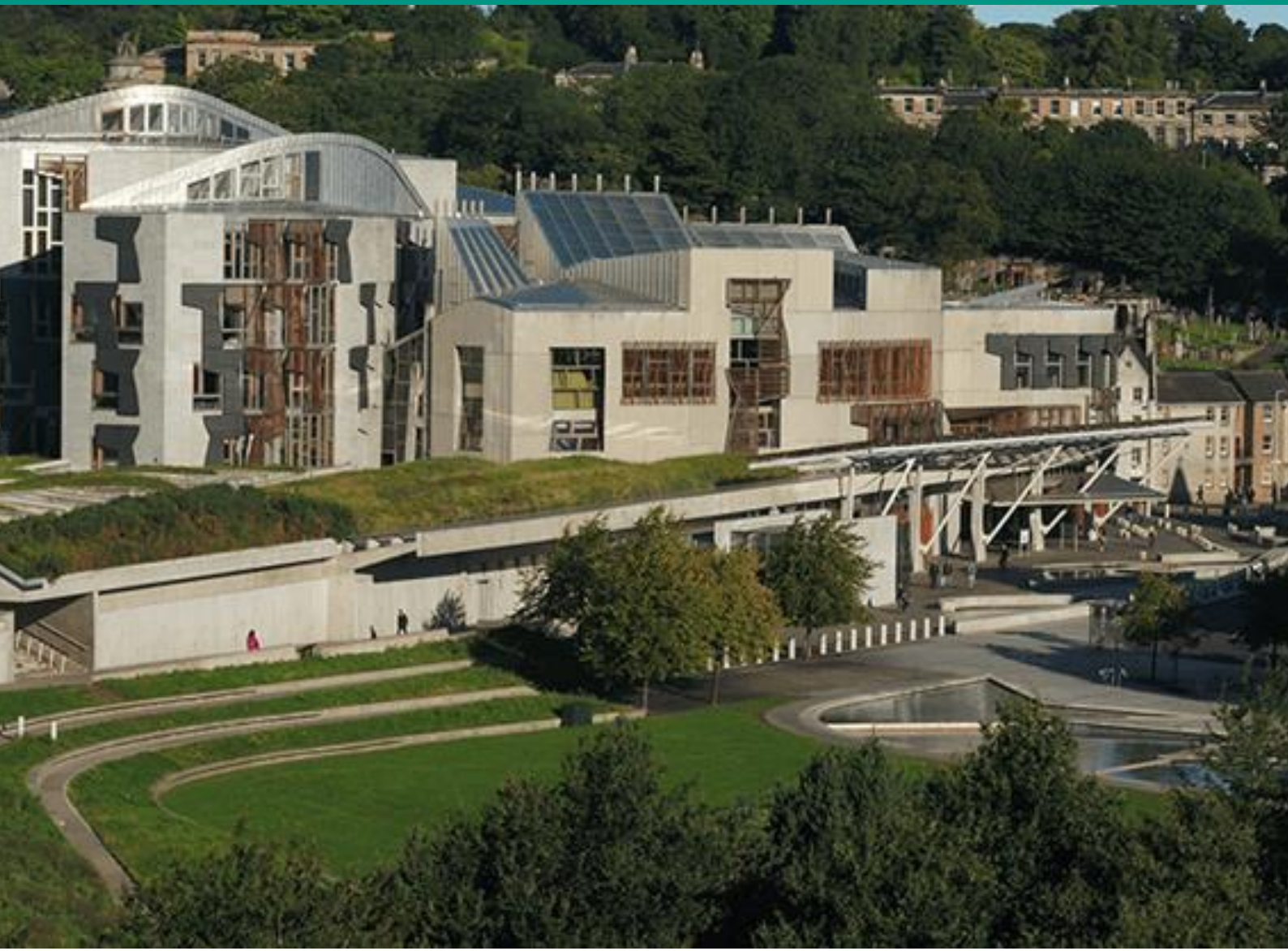
The table below provides detail of accidents.

Accident type	2023-24 ¹	2022-23	% Increase / (Decrease)
Injuries due to assault	5,565	4,825	15%
Injuries during arrest	1,109	1,034	7%
Exposure to hazardous substance	118	83	42%
Other incidents	848	973	(13)%
Slips, trips and falls – same level	275	268	3%
Road traffic occurrence injuries	195	257	(24)%
Manual handling – person	72	77	(6)%
Manual handling – object	133	146	(9)%
Contact with animal	122	91	34%
Slips, trips and falls – from height	74	54	37%
Needlestick injury	32	17	88%
Total	8,543	7,825	9%
RIDDOR Reports – included in the above total (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995)	202	184	10%

¹ 2023-24 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 Resources Outturn

	2023-24			2022-23		
	Funding	Outturn	Funding vs Outturn	Funding	Outturn	Funding vs Outturn
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Resource ¹	1,347,318	1,347,125	193	1,298,995	1,298,810	185
IFRS16 Leases Interest Resource ²	341	548	(207)	191	476	(285)
Sub total	1,347,659	1,347,673	(14)	1,299,186	1,299,286	(100)
Revenue reform	20,000	20,000	-	21,300	21,166	134
Total resource DEL³	1,367,659	1,367,673	(14)	1,320,486	1,320,452	34
Working capital (cash only)⁵	15,530	15,530	-	5,422	5,397	25
Capital resource ^{1,4}	50,190	50,285	(95)	48,900	48,584	316
IFRS16 Leases Capital ²	8,382	8,266	116	4,901	4,908	(7)
Capital reform	-	-	-	4,600	4,600	-
Capital grant income	2,703	2,703	-	1,272	1,272	-
Total capital DEL³	61,275	61,254	21	59,673	59,364	309
Capital receipts	2,099	2,099	-	2,693	1,406	1,287
Resource under/ (over) spend	1,446,563	1,446,556	7	1,388,274	1,386,619	1,655
ODEL³ Funding – pre 2004-05 loan interest	3,733	3,733	-	5,051	5,051	-
Resource under/ (over) spend including ODEL	1,450,296	1,450,289	7	1,393,325	1,391,670	1,655

1. Resource funding provided through periodic Grant in Aid payments. See also note 25 to the Financial Statements.
2. Non-cash component of funding.
3. (Other) Departmental Expenditure Limit.
4. In 2023/24, Capital Reform allocation of £4.600m now included in main Capital Resource allocation.
5. Working Capital cash funding includes £5.530m for IFRS16 Lease payments (see Note 25 to the Financial Statements).

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

	2023-24 £'000	2022-23 £'000
Comprehensive net expenditure	1,665,079	1,807,006
Non-cash costs		
Depreciation & amortisation	(69,474)	(59,720)
AME-funded impairments / revaluations	(13,406)	(9,587)
Impairment of bad debt	9	(1)
Capital grant Income	2,703	1,272
Pension fund interest	(545,196)	(376,220)
IAS19 pension adjustment	336,105	(46,011)
Provisions	(8,147)	3,713
Total non-cash costs	(297,406)	(486,554)
Comprehensive net expenditure attributed to revenue budgets	1,367,673	1,320,452

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 2024 was £1.450 billion (2022-23: £1.393bn) representing an overall increase in resources of £57m. 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 (2022-23: £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	2023-24 £'000	2022-23 £'000
Increase / (decrease) in AME provisions	21	8,147	(3,713)
IAS 19 pension adjustment in pension Interest for staff	22	1,996	6,520
IAS 19 pension adjustment in staff costs	22	(1,405)	54,711
Depreciation (AME)		349	349
AME funded impairments / revaluations	7/8	9,732	9,587
Total AME expenditure		18,819	67,454
Total AME funding received	25	(50,949)	(78,921)
Total AME over / (under) spend		(32,130)	(11,467)

Statement of Resource Outturn – Other non-cash funding

	Note	2023-24 £'000	2022-23 £'000
Depreciation		69,125	59,371
Impairment		3,674	-
Total non-cash expenditure		72,799	59,371
Total non-cash ring-fenced funding received	25	(65,731)	(57,071)
Total non-cash over / (under) spend		7,068	2,300

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, in the latter stages of review, one instance of potential payroll fraud was highlighted and has been reported to the Criminal Allegations Against the Police for assessment. The remaining items were reviewed, compliant with NFI procedures, and no other issues were highlighted.

Losses, special payments and write-offs (subject to audit)

The losses statement relates to a variety of losses in relation to unrecoverable payroll debt, bad debt write offs and obsolete stock. The Authority takes a robust approach to pursuing loss recovery.

Losses Statement	2023-24	2022-23
Total number of losses	148	48
Total value of losses (£'000)	23	94

Reviews of overdue sales invoices has resulted in a decrease in the impairment for bad debts within trade receivables (note 14) to £7,915 (2022-23: £17,267).

No Fruitless payments were written off during 2023-24 (2022-23: £55,000).

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 outside the voluntary redundancy / voluntary early retirement (VR/VER) policy are as follows:

Special severance payments*	2023-24	2022-23
Total number	17	8
Total amount paid	£1,115,914	£214,749
Max. individual amount paid	£877,814	£75,000
Min. individual amount paid	£4,500	£2,500
Median amount paid	£16,393	£10,500

* Payments have been grossed up for tax.

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

Gifts (subject to audit)

For the year ended 31 March 2024, there were no gifts that exceeded £250,000.

Remote contingent liabilities (subject to audit)

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.

78% of supplier invoices were paid within the normal trading terms of 30 days (2022-23: 71%). The number of invoices taking longer than ten working days has decreased from 69% in 2022-23 to 63% in 2023-24. The trade creditor level as at 31 March 2024 was 18 days compared to 27 days in 2022-23.

Lynn Brown

Lynn Brown OBE
Chief Executive & Accountable Officer
31 October 2024

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

Reporting on the audit of the financial statements

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 2024 under the Police and Fire Reform (Scotland) Act 2012. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. 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 2023/24 Government Financial Reporting Manual (the 2023/24 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 2024 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 2023/24 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

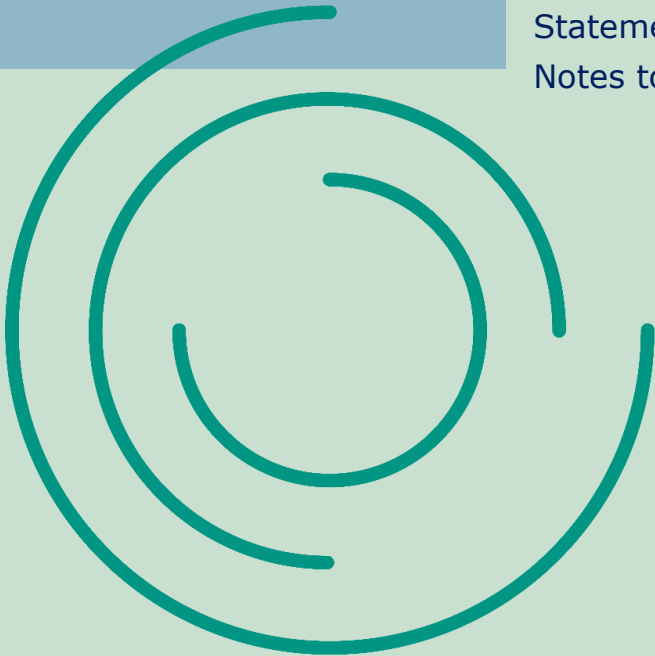
31/10/2024

Joanne Brown (for and on behalf of Grant Thornton UK LLP)

110 Queen Street
Glasgow
G1 3BX

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 2024

	Note	2023-24 £'000	2022-23 £'000
Expenditure			
Staff costs	2a	889,800	1,218,252
Other expenditure	4	193,924	188,347
		1,083,724	1,406,599
Depreciation & amortisation	7/8/10	69,474	59,720
Operating expenditure	2	1,153,198	1,466,319
Income from activities	3	(51,133)	(48,272)
Net Expenditure before interest		1,102,065	1,418,047
Loss on impairment of assets	7	13,406	9,587
Interest and related			
Pension fund interest	22	545,196	376,220
PFI interest		1,349	1,540
Discounting movement	21	114	(1,380)
Lease interest		548	476
Loan and other interest		2,401	2,516
		549,608	379,372
Net expenditure		1,665,079	1,807,006

Other comprehensive expenditure These items will not be reclassified to net expenditure	Note	2023-24 £'000	2022-23 ¹ £'000
Net (gain) / loss on revaluation reserve		6,025	(27,466)
Net (gain) / loss on revaluation of investment properties	9	(2,427)	(446)
IAS19 actuarial (gain) / loss	22	(1,092,664)	(11,203,763)
Total other comprehensive (Gain) / Loss		(1,089,066)	(11,231,675)

Total Comprehensive Net Expenditure		(576,013)	(9,424,669)
--	--	------------------	--------------------

¹ IAS actuarial loss restated (reduction in original figure of £11,284,298 to £11,203,763) as a result of a prior period adjustment relating to a revision in actuarial information.

The notes on pages 129 to 188 form part of these accounts.

Statement of Financial Position as at 31 March 2024

	Note	2023-24 £'000	2022-23 ¹ £'000
Non-current assets			
Property, plant and equipment	7	539,431	542,525
Right of use assets	8	56,891	56,813
Investment properties	9	5,619	14,025
Intangible assets	10	15,101	18,145
Pension assets	22/24	-	-
Total non-current assets		617,042	631,508
Current assets			
Cash and cash equivalents	12	15,519	26,146
Inventories	13	4,479	4,866
Trade and other receivables	14	41,582	46,813
Assets held for sale	15	2,054	2,547
Total current assets		63,634	80,372
Total assets		680,676	711,880
Current liabilities			
Trade and other payables	16	(117,651)	(139,637)
Total current liabilities		(117,651)	(139,637)
Total assets less net current liabilities		563,025	572,243
Non-current liabilities			
Lease liabilities	16	(42,709)	(41,806)
PFI liabilities	16	(7,582)	(9,464)
Long-term loan liabilities	20	(54,528)	(58,367)
Provisions	21	(23,243)	(15,096)
Total non-current liabilities		(128,062)	(124,733)
Total net assets before pension liabilities		434,963	494,596
Pension liabilities	22/23	(12,402,676)	(13,286,249)
Assets less liabilities		(11,967,713)	(12,838,739)
Taxpayers' equity			
General fund		290,980	297,502
Revaluation reserve		143,983	150,008
Taxpayers' equity before pension liabilities		434,963	447,510
Pension Reserve	22	(12,402,676)	(13,286,249)
Total taxpayers' equity		(11,967,713)	(12,838,739)

¹Pension Liabilities plus Pension Assets; and Pension Reserve values, have been restated by equal and opposite amount of £80,535k as a result of a prior period adjustment relating to a revision in actuarial information.

Lynn Brown

Lynn Brown OBE, Chief Executive & Accountable Officer

Authorised for issue on 26 September 2024 and signed, as dated 31 October 2024. The notes on pages 129 to 188 form part of these accounts.

Statement of Cash Flows

Year ended 31 March 2024

	Note	2023-24 £'000	2022-23 £'000
Cash flows from operating activities			
Net deficit from operating activities		(1,665,079)	(1,807,006)
Adjustments for non-cash transactions	6	294,111	490,590
(Increase) / decrease in inventories	13	387	(33)
(Increase) / decrease in trade and other receivables	14	5,231	(3,573)
Increase / (decrease) in trade and other payables		(22,951)	(10,274)
(Decrease) / increase in provisions	21	8,147	(3,713)
Net cash outflow from operating activities		(1,380,154)	(1,334,009)
Cash flows from investing activities			
Purchase of property, plant and equipment		(51,177)	(56,562)
Purchase of intangible assets	10	(4,167)	(3,554)
Proceeds from disposal of property, plant, equipment	7	3,472	2,693
Net cash outflow from investing activities		(51,872)	(57,423)
Cash flows from financing activities			
Grant in Aid from the Scottish Government	25	1,436,771	1,384,268
Payments to repay leases - interest	SOCNE	(548)	(476)
Payments against lease liabilities		(6,170)	(4,944)
Payments to repay PFI agreements - interest	SOCNE	(1,349)	(1,540)
Payments to repay long-term loans - interest		(1,522)	(1,095)
Payment to repay PFI agreements - capital		(1,666)	(1,474)
Payments to repay long-term loans - capital		(4,117)	(4,041)
Net financing		1,421,399	1,370,698
Net increase / (decrease) in cash and cash equivalents	12	(10,627)	(20,734)
Cash / cash equivalents at the beginning of the year	12	26,146	46,880
Cash / cash equivalents at the end of the year	12	15,519	26,146

The notes on pages 129 to 188 form part of these accounts.

Statement of Changes in Taxpayers' Equity

Year ended 31 March 2024

	Note	General Fund £'000	Pension ¹ £'000	Revaluation Reserve £'000	Total £'000
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	11,203,763	25,622	11,238,094
IFRS 16 Implementation		5,966	-	-	5,966
Balance as at 31 March 2023		297,502	(13,286,249)	150,008	(12,838,739)
Cash Grant in Aid	25	1,436,771	-	-	1,436,771
Net expenditure for the year		(1,455,988)	(209,091)	-	(1,665,079)
Revaluation gains and (losses)	7/8/9/10/22	12,695	1,092,664	(6,025)	1,099,334
Balance as at 31 March 2024		290,980	(12,402,676)	143,983	(11,967,713)

¹ IAS actuarial loss restated (reduction in original figure of £11,284,298 to £11,203,763) as a result of a prior period adjustment relating to a revision in actuarial information.

The notes on pages 129 to 188 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 1.24.

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 2023-24 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 32.

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 2024.

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, Strategy & Engagement; and Deputy Chief Officer (DCO) Corporate Support, People & Digital.
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The above segmental structure is reflective of budget management reporting used during 2023-24, notwithstanding portfolio restructures that took place late in 2023-24.

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.

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 5 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 are typically 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, or to a significant degree compared to operational activity, 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 significant 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. With regard to telecommunications masts, where operational activity is not insignificant on the same asset, compared to any income generating activity, valuation will be in line with operational non-current asset policies.

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 (FRm, 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.

Trade and other receivables:

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 disclosed as Third-party assets.

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.

As unfunded schemes, there are no investment assets built up to meet the pension liabilities, and 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 32: 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 2023 for the local government pension fund liability value.

Following a further review of the position as guided by IFRIC14, Hymans Robertson LLP, the reporting actuary for the local government pension fund, revised the limit ("cap") to the value of the pension asset previously disclosed as at 31 March 2023.

Using the updated data the actuary has estimated that the impact on the local government pension fund overall liability is an increase of £80.5m for 2022/23. 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 2022-23 £'000	2022-23 £'000	Restatement movement £'000
Statement of Comprehensive Net Expenditure			
Other comprehensive expenditure			
IAS19 actuarial (gain) / loss	(11,203,763)	(11,284,298)	80,535
Total other comprehensive (Gain) / Loss	(11,231,675)	(11,312,210)	80,535
Total Comprehensive Net Expenditure	(9,424,669)	(9,505,204)	80,535
Statement of Financial Position			
Pension assets	-	47,086	(47,086)
Pension liabilities	(13,286,249)	(13,252,800)	(33,449)
Assets less liabilities	(12,838,739)	(12,758,204)	(80,535)
Pension Reserve	(13,286,249)	(13,205,714)	(80,535)
Total taxpayers' equity	(12,838,739)	(12,758,204)	(80,535)
Statement of Changes in Taxpayers' Equity			
Revaluation gains and (losses) – Pension	11,203,763	11,284,298	(80,535)
Balance as at 31 March 2023 – Pension	(13,286,249)	(13,205,714)	(80,535)
Revaluation gains and (losses) – Total	(11,238,094)	(11,318,629)	(80,535)
Balance as at 31 March 2023 – Total	(12,838,739)	(12,758,204)	(80,535)

2. Analysis of net expenditure by segment

2023-24	SPA Corporate	Forensic Services	Deputy Chief Officer	DCC Local Policing	DCC Crime & Operational Support	DCC Professionalism, Strategy & Engagement	Reform	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	3,997	38,283	94,161	780,393	230,353	57,626	13,708	1,218,521
¹ IAS 19 pension cost	-	-	(336,105)	-	-	-	-	(336,105)
¹ Restructuring provision	-	-	7,384	-	-	-	-	7,384
²Total staff costs (2a)	3,997	38,283	(234,560)	780,393	230,353	57,626	13,708	889,800
Other expenditure	2,328	6,738	116,922	19,300	24,735	16,958	6,294	193,275
¹ Legal & premises provisions	(36)	-	(759)	-	-	1,444	-	649
Total other expenditure	2,292	6,738	116,163	19,300	24,735	18,402	6,294	193,924
¹ Depreciation/ amortisation	-	-	69,474	-	-	-	-	69,474
Operating expenditure	6,289	45,021	(48,923)	799,693	255,088	76,028	20,002	1,153,198
Income from activities	(1,053)	(176)	(11,625)	(14,909)	(17,705)	(5,657)	(8)	(51,133)
Net expenditure before Interest	5,236	44,845	(60,548)	784,784	237,383	70,371	19,994	1,102,065
¹ Impairment of assets	-	-	13,406	-	-	-	-	13,406
Interest payable	3	-	4,180	-	109	-	6	4,298
¹ IAS 19 pension interest	-	-	545,196	-	-	-	-	545,196
¹ Provision discounting movement	-	-	114	-	-	-	-	114
Total interest payable	3	-	549,490	-	109	-	-	549,608
Total expenditure	5,239	44,845	502,348	784,784	237,492	70,371	20,000	1,665,079

2022-23 ³	SPA Corporate	Forensic Services	Deputy Chief Officer	DCC Local Policing	DCC Crime & Operational Support	DCC Professionalism, Strategy & Engagement	Reform	COP26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	3,791	34,009	90,331	749,852	227,084	53,043	13,897	234	1,172,241
¹ IAS 19 pension cost	-	-	46,011	-	-	-	-	-	46,011
²Total staff costs (2a)	3,791	34,009	136,342	749,852	227,084	53,043	13,897	234	1,218,252
Other expenditure	2,256	6,766	109,379	20,127	27,146	17,602	7,441	(37)	190,680
¹ Legal & premises provisions	(385)	-	7	-	-	(1,955)	-	-	(2,333)
Total other expenditure	1,871	6,766	109,386	20,127	27,146	15,647	7,441	(37)	188,347
¹ Depreciation/ amortisation	-	-	59,720	-	-	-	-	-	59,720
Operating expenditure	5,662	40,775	305,448	769,979	254,230	68,690	21,338	197	1,466,319
Income from activities	(944)	(212)	(11,756)	(14,127)	(17,235)	(3,606)	(195)	(197)	(48,272)
Net expenditure before Interest	4,718	40,563	293,692	755,852	236,995	65,084	21,143	-	1,418,047
¹ Impairment 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	682,651	755,852	236,995	65,084	21,143	-	1,807,006

- Denotes non-cash income and expenditure.
- Details provided in the Total staff costs analysis in the Remuneration Report.
- During 2023-24 Chief Officer portfolios were reviewed to ensure they were structured to effectively deliver our strategic aims and objectives, and altered as follows:
 - Strategy and Analysis was disclosed under the Deputy Chief Officer portfolio, but this is now reallocated to DCC Professionalism, Strategy and Engagement.
 - Digital and Transformation was disclosed under DCC Professionalism, Digital & Transformation portfolio, but this has now been reallocated to the Deputy Chief Officer.
 - As a result of this, the segmental analysis for 2022-23 has been restated taking into account transfers between the portfolios. Total expenditure is not altered for 2022-23 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	Other staff £'000	Total¹ £'000
2023-24	370	319,226	567,515	2,689	889,800
2022-23	363	341,868	873,171	2,850	1,218,252

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

1. Total staff costs for 2023-24 have reduced by £328m compared with 2022-23. This is mainly due to an IAS19 pension credit of £336m in 2023-24. This is caused by an increase in discount rate net of CPI inflation applied by the actuaries between 31 March 2022 and 31 March 2023 reducing the pension scheme's current service cost. Further illustrated in Notes 22 to 24.

3. Income from activities

	2023-24 £'000	2022-23 £'000
Fees and charges (<i>detailed below</i>)	29,563	25,499
Grant income received – external to GiA	17,300	19,057
Seconded police officers and staff	1,770	1,607
Insurance	248	129
Donations and sponsorship	17	48
Profit on disposal of assets	1,373	1,287
Interest received	84	5
Other income	778	640
	51,133	48,272

Fees and charges – further detail	2023-24 £'000	2022-23 £'000
Accident report fees	1,322	1,052
Aerials / masts income	4,605	4,382
Disclosure fees	1,971	1,817
NPCC income	568	607
International development income	55	72
Licences and certificates	741	1,193
Modern apprenticeship income	1,927	1,564
Rental income	2,682	2,320
Police officer services – Events and concerts	1,662	1,420
Police officer services – Football matches	2,423	2,118
Police officer services – Airports	4,865	3,878
Police officer services – Abnormal load escorts	1,797	1,567
Police officer services – non-football event	233	1,034
Police officer services – Cycling World Championships	1,459	-
Police officer services – Other	398	129
Training / CPD income	345	363
Other	2,510	1,983
	29,563	25,499

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

	2023-24 £'000	2022-23 £'000
Animal costs	803	700
Catering costs	1,646	1,936
Clothing & uniform	2,714	2,695
Conference / meeting expenses	135	220
Equipment costs	43,995	44,123
External consultancy	3,918	4,394
Legal costs	11,140	9,359
National Crime Agency	5,212	5,212
Other fees & charges	3,487	3,330
Other non-pay costs	4,449	5,533
Premises costs	67,544	60,223
Printing, stationery & postage	1,751	2,017
Prison charges	1,614	1,184
Professional fees	563	540
Public relation costs	278	348
Public protection unit	293	314
Recruitment costs	119	346
Securing premises	295	218
Subscriptions	217	206
Supplies and services	4,383	4,442
Telecom and Airwave costs	12,916	12,839
Third party payments	7,004	5,709
Transport costs	19,433	22,419
Write off losses	15	40
	193,924	188,347

5. Corporation tax

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

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.

The Authority is in the process of agreeing a revised methodology with HMRC to be used for calculation of any potential liability.

Any liability for corporation tax is categorised as Annually Managed Expenditure (AME).

6. Adjustments to cash flows for non-cash items

	Note	2023-24 £'000	2022-23 £'000
Depreciation of property, plant & equipment	7	54,446	44,925
Depreciation of right of use assets	8	7,573	7,696
Amortisation of intangible assets	10	7,455	7,099
Interest payable – PFI interest	19	1,349	1,540
Interest payable – leases	18	548	476
Discounting movement	21	114	(1,380)
Interest payable – loan and other interest	20	1,502	(297)
IAS19 pension adjustment to staff costs	22	(336,105)	46,011
IAS19 interest on pension scheme obligations	22	545,196	376,220
Asset impairment	7	13,406	9,587
(Profit) on sale of property, plant & equipment	3	(1,373)	(1,287)
Adjustments to non-cash costs		294,111	490,590

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, Allied Surveyors, 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 2024, except where related to Assets Held for Sale or for those which we identified as being impaired. These took place on the date the property was declared surplus and made available for sale and in the case of the impaired properties these took place on our instruction post identification.

Valuations during the year resulted in a net decrease in the value of property, plant and equipment (PPE) and of £8.3million (2022-23: increase of £23.3m), a net decrease of £599k in Right of Use assets (ROU) (2022-23: £355k) per note 8 and a net decrease of £234k in Assets Held for Sale (2022-23: decrease of £25k) 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	2023-24			2022-23		
		up £'000	down £'000	net £'000	up £'000	down £'000	net £'000
Property, Plant & Equipment	7	15,420	(23,735)	(8,315)	62,194	(38,881)	23,313
Right of Use Assets	8	-	(599)	(599)	63	292	355
Assets Held for Sale	15	-	(234)	(234)		(25)	(25)
Total		15,420	(24,568)	(9,148)	62,257	(38,614)	23,643

Revaluation reserve increase	13,208	-	13,208	55,936	-	55,936
Revaluation reserve utilised	-	(8,950)	(8,950)	-	(22,706)	(22,706)
Reversal of previous impairments ¹	2,212		2,212	6,321		6,321
Total revaluations gain	15,420	(8,950)	6,470	62,257	(22,706)	39,551
NDEL funded impairments	-	(3,674)	(3,674)	-	-	-
AME funded impairments / downward revaluations ¹	-	(11,944)	(11,944)	-	(15,908)	(15,908)
Total revaluations loss	-	(15,618)	(15,618)	-	(15,908)	(15,908)
Total	15,420	(24,568)	(9,148)	62,257	(38,614)	23,643

1. The loss on impairment of assets as reported elsewhere in the SOCNE (£13,406k) is the sum of the downward impairments value of (£15,618k) offset by the reversal of previous impairments £2,212k, as noted in the table above.

A number of properties with downward revaluations had revaluation reserves, resulting in £8.9m (2022-23: £22.7m) being charged against the revaluation reserve. There were 24 (2022-23: 48)

properties where there was a reversal of the previous impairment charge which amounted to £2.2m (2022-23: £6.3m).

The overall remainder of the impact of the revaluation process resulted in a net charge of £11.9m (2022-23: £15.9m) to the Annually Managed Expenditure budget (AME).

Three properties (2022-23: nil) triggered impairment reviews, due to their presenting condition. Whilst acknowledging that a proportion of the remaining property estate has been assessed as "poor" from recent condition surveys, the 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 an impairment amount of £3.7m (2022-23: nil) charged to the non-cash Departmental Expenditure Limit (DEL).

The net book value of disposals was £2.1 million (2022-23: £1.4m) which together with the profit on disposal of assets of £1.4 million (2022-23: £1.3m profit) per note 3 results in total cash proceeds on disposal of property, plant and equipment of £3.5 million (2022-23: £2.7m).

Details of the Leases and PFI contracts, related to assets, as at 31 March 2024 are held at notes 18 and 19 respectively.

There is one property marked as vacant / surplus with a net book value of £188k (2022-23: nil) within land and buildings as at 31 March 2024. All other vacant properties are being actively marketed for sale.

7. Property, plant & equipment – analysis

2023-24	*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 2023	436,300	8,295	115,899	54,735	7,064	85,051	26,760	734,104
Additions	11,498	3,691	8,676	5,065	373	15,090	6,527	50,920
Disposals ¹	-	-	(24,122)	(10,883)	-	(15,085)	-	(50,090)
Revaluation	(28,438)	9	-	-	-	-	-	(28,429)
Impairment	(3,793)	-	-	-	-	-	(144)	(3,937)
Reclassification	17,188	162	1,408	2,668	-	3,138	(15,059)	9,505
As at 31 March 2024	432,755	12,157	101,861	51,585	7,437	88,194	18,084	712,073
Depreciation:								
As at 1 April 2023	27,113	343	81,581	30,085	4,957	47,500	-	191,579
Charged in year	21,622	417	12,952	5,236	523	13,696	-	54,446
Depreciation on disposals ¹	-	-	(24,122)	(10,834)	-	(14,376)	-	(49,332)
Depreciation on revaluation	(23,736)	(52)	-	-	-	-	-	(23,788)
Depreciation on impairment	(263)	-	-	-	-	-	-	(263)
Depreciation on reclassification	-	-	-	-	-	-	-	-
As at 31 March 2024	24,736	708	70,411	24,487	5,480	46,820	-	172,642
NBV as at 31 March 2024	408,019	11,449	31,450	27,098	1,957	41,374	18,084	539,431

1. Following a review of nil NBV assets the gross carrying value has reduced by £35m, offset by the corresponding accumulated depreciation value.

Summary of revaluations and impairments

2023-24	*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	(28,438)	9	-	-	-	-	-	(28,429)
Revaluation on depreciation	23,736	52	-	-	-	-	-	23,788
Total revaluation	(4,702)	61	-	-	-	-	-	(4,641)
Impairments:								
Impairment on cost	(3,793)	-	-	-	-	-	(144)	(3,937)
Impairment on depreciation	263	-	-	-	-	-	-	263
Total impairment	(3,530)	-	-	-	-	-	(144)	(3,674)
Net impact on NBV as at 31 March 2024	(8,232)	61	-	-	-	-	(144)	(8,315)

*Land and buildings include one building financed by PFI with a current NBV £10.2 million (2022-23: £10.7m).

**Funded Safety Camera Partnership vans currently have a NBV of £1.4m (2022-23: £203k).
Loaned assets do not form part of the note above, and have a value of £0.8k (2022-23: £0.2k).

***AUC currently has a number of assets with a net book value of £11.2m which relate to Intangible Development Costs.

Summary of Reclassification 2023-24

2023-24 Reporting Category	Note in Financial Statements	Transfers into Category £'000	Transfers out of Category £'000	Total £'000
Cost				
Assets Held for Sale	15	1,260	(178)	1,082
Assets Under Construction	7	-	(15,058)	(15,058)
Buildings	7	15,079	(351)	14,728
Intangibles	10	-	-	-
Investment properties	9	245	(10,833)	(10,588)
IT Hardware	7	1,408	-	1,408
Land	7	2,833	(373)	2,460
Motor Vehicles	7	3,138	-	3,138
Plant & Machinery	7	2,668	-	2,668
Dwellings	7	698	(536)	162
Cost Total		27,329	(27,329)	-
Depreciation		-	-	-
Depreciation Total		-	-	-
Net impact on NBV as at 31 March 2024		27,329	(27,329)	-

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
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
Impairments:								
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 Reclassifications 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)	-

8. Right of use assets

2023-24	Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Total £'000
Cost or valuation:					
As at 1 April 2023	68,780	583	3,559	323	73,245
Additions	548	489	7,252	-	8,289
Disposals	(63)	-	-	(323)	(386)
Revaluation	(594)	(5)	-	-	(599)
Impairment	-	-	-	-	-
Reclassification	-	-	-	-	-
As at 31 March 2024	68,671	1,067	10,811	-	80,549
Depreciation:					
As at 1 April 2023	13,934	136	2,147	215	16,432
Charged in year	4,868	288	2,309	108	7,573
Depreciation on disposals	(24)	-	-	(323)	(347)
Depreciation on revaluation	-	-	-	-	-
Depreciation on impairment	-	-	-	-	-
Depreciation on reclassification	-	-	-	-	-
As at 31 March 2024	18,778	424	4,456	-	23,658
NBV as at 31 March 2024	49,893	643	6,355	-	56,891

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.

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

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 2024. 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.

	2023-24 £'000	2022-23 £'000
Valuation:		
As at 1 April	14,025	13,579
Gain / (Loss) from fair value adjustment	2,427	446
Reclassification	(10,833)	-
Net Book Value as at 31 March	5,619	14,025

	2023-24 £'000	2022-23 £'000
Valuation Details:		
Upward Revaluation	2,899	1,209
Downward Revaluation	(472)	(763)
Net gain / (loss) on revaluation of Investment Properties	2,427	446

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	2023-24 Total £'000	2022-23 Total £'000
Cost:					
As at 1 April	28,416	19,551	351	48,318	44,801
Disposals ¹	(6,189)	(682)	-	(6,871)	(509)
Additions	4,031	136	-	4,167	3,554
Reclassification	43	201	-	244	472
Cost as at 31 March	26,301	19,206	351	45,858	48,318
Amortisation:					
As at 1 April	20,891	8,931	351	30,173	23,583
Charged in year	3,915	3,540	-	7,455	7,099
Disposals ¹	(6,189)	(682)	-	(6,871)	(509)
Reclassification	-	-	-	-	-
Amortisation as at 31 March	18,617	11,789	351	30,757	30,173
Net book value as at 31 March	7,684	7,417	-	15,101	18,145

1. Following a review of nil NBV assets the gross carrying value has reduced by £6.8m, offset by the corresponding accumulated depreciation value.

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

	2023-24 £'000	2022-23 £'000
Balance as at 1 April	26,146	46,880
Net change in cash and cash equivalent balance	(9,207)	(20,734)
Reclassification adjustment ¹	(1,420)	-
Balance as at 31 March	15,519	26,146

The balances held as at 31 March were held as follows:	2023-24 £'000	2022-23 £'000
Balance within the Government Banking Service	14,329	23,269
Cash at commercial banks and cash in hand	1,190	1,581
Total Cash	15,519	24,850
Cash held within Confiscation accounts ¹	-	1,296
Balance as at 31 March	15,519	26,146

¹ From 2023-24, total Confiscation Account balance now disclosed as a Third-party asset (see Note 29).

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.

	2023-24 £'000	2022-23 £'000
Balance as at 1 April	4,866	4,833
(Decrease) / increase in inventories and stock during year*	(387)	33
Balance as at 31 March	4,479	4,866

*Movement in inventories and stock balance is shown net of an obsolete stock write off of £(10)k (2022-23: (27)k).

14. Trade and other receivables

(a) Analysis by type of receivable is as follows:	2023-24 £'000	2022-23 £'000
Amounts falling due within one year:		
Trade receivables*	6,370	5,678
Other receivables	608	556
Prepayments and accrued income	25,405	26,794
VAT	9,199	13,785
Total amounts falling due within one year	41,582	46,813

(b) Analysis by category of customer is as follows:	2023-24 £'000	2022-23 £'000
Amounts falling due within one year:		
Balances with other central government bodies	21,013	17,222
Balances with local authorities	1,844	3,350
Balances with NHS bodies	66	100
Intra-governmental balances	22,923	20,672
Balances with bodies external to government	18,659	26,141
Total amounts falling due within one year	41,582	46,813

*Trade receivables of £6.4 million (2022-23: £5.7m) are shown net of a provision for bad debts of £8k (2022-23: £17k).

15. Assets held for sale

	2023-24 £'000	2022-23 £'000
Balance brought forward as at 1 April	2,547	2,758
Reclassifications from property, plant and equipment	1,082	788
Revalued during the year	(234)	(25)
Assets sold	(1,341)	(974)
Balance as at 31 March	2,054	2,547

	2023-24 £'000	2022-23 £'000
Valuation details:		
Downward revaluation	(234)	(25)
Net gain / (loss) on revaluation of Assets Held for Sale	(234)	(25)

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:	2023-24 £'000	2022-23 £'000
Amounts falling due within one year:		
Taxation and social security	26,847	25,966
Trade payables	8,098	11,203
Other payables	1,387	1,775
Pension creditor (<i>note 17</i>)	15,107	13,931
Accruals and deferred income	54,410	76,182
Sub-total amounts falling due within one year	105,849	129,057
Current component of leases liabilities	6,081	4,777
Current component of PFI agreements	1,882	1,666
Current component of long-term loans	3,839	4,137
Total amounts falling due within one year	117,651	139,637

	2023-24 £'000	2022-23 £'000
Amounts falling due after more than one year:		
Leases	42,709	41,806
PFI agreements	7,582	9,464
Long-term loans	54,528	58,367
Total amounts falling due after more than one year	104,819	109,637

(b) Analysis by category of supplier is as follows:	2023-24 £'000	2022-23 £'000
Amounts falling due within one year:		
Balances with other central government bodies	53,262	57,912
Balances with local authorities	7,125	10,374
Balances with NHS bodies	228	571
Intra-governmental balances	60,615	68,857
Balances with bodies external to government	57,036	70,780
Total amounts falling due within one year	117,651	139,637

	2023-24 £'000	2022-23 £'000
Amounts falling due after more than one year:		
Balances with other central government bodies	27,765	28,078
Balances with local authorities	59,071	63,577
Balances with NHS bodies	96	135
Intra-governmental balances	86,932	91,790
Balances with bodies external to government	17,887	17,847
Total amounts falling due after more than one year	104,819	109,637

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.

	2023-24 £'000	2022-23 £'000
Receivable:		
Employer contributions ¹	(209,246)	(194,653)
Officers' contributions	(95,609)	(88,520)
Other receivables	(7,109)	(6,573)
Transfer values received	(785)	(1,546)
Total receivable	(312,749)	(291,292)
Payable:		
Pensions	448,496	405,735
Refund & transfer values paid	2,632	3,972
Lump sum payments	94,474	183,494
Total payable	545,602	593,201
Deficit before funding	232,853	301,909
Funding received from the Scottish Government:		
Brought forward (surplus) / deficit	(13,931)	(11,948)
Police pension grant ¹	(234,029)	(303,892)
Carried forward (surplus) / deficit funding received	(15,107)	(13,931)

1. For 2023/24, Police Specific overall (Annex D) Grant comprises (£'000):

• Deficit element - Police Pension Grant	£234,029
• Employer Contribution funding	£209,246
• Total	£443,275

A further element relating to officer secondment (£279k), when applied, reconciles to the actual Pension Grant amount received from Scottish Government (£442,996k), as indicated at Note 25: Scottish Government funding.

18. Leases

Scottish Police Authority Liabilities

Obligations under lease agreements falling under IFRS 16 are given in the table below for the following future period intervals:

	2023-24	2022-23
	£'000	£'000
Property based agreements		
Not later than one year	4,078	3,901
Between two and five years	12,922	13,310
Later than five years	29,469	32,403
Future minimum lease payments	46,469	49,614
Less: interest element	(3,596)	(3,947)
Present value of obligations¹	42,873	45,667

	2023-24	2022-23
	£'000	£'000
Equipment agreements		
Not later than one year	2,604	1,301
Between two and five years	4,314	-
Future minimum lease payments	6,918	1,301
Less: interest element	(318)	(4)
Present value of obligations¹	6,600	1,297

¹ A difference of £683k (2022-23: £381k) between the SOFP value of total lease liabilities £48,790k (2022-23: £46,583k) compared to the total present value of obligations as presented above £49,473k (2022-23: £46,964k), is due to future lease assessments being applied to the lease obligations above.

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 3.51% for the period to 31 December 2023, and 4.72% for leases commencing 1 January 2024 onwards.

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2023-24	2022-23
	£'000	£'000
Depreciation	7,573	6,279
Interest expense	548	476
Short term leases	25	17
Total	8,146	6,772

Scottish Police Authority as Lessor

The Authority receives income from a small number of properties under lease agreements with third parties. A summary of the position is provided below:

	2023-24 £'000	2022-23 £'000
Lease payments received	405	384
	405	384

Future lease payments due to be received

	2023-24 £'000	2022-23 £'000
Not later than one year	391	373
Between two and five years	584	584
Later than five years	1,314	1,460
	2,289	2,417

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 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:

	2023-24				2022-23
	Capital Repayment £'000	Interest £'000	Service Charge £'000	Total £'000	Total £'000
Not later than one year	1,882	1,133	1,896	4,911	4,856
Between two and five years	7,582	1,232	3,029	11,843	16,754
Later than five years	-	-	-	-	-
Subtotal > 1 year	7,582	1,232	3,029	11,843	16,754
As at 31 March	9,464	2,365	4,925	16,754	21,610

The asset is recognised on the Statement of Financial Position and included within the land and buildings as follows:

	2023-24 £'000	2022-23 £'000
Cost brought forward as at 1 April	17,350	17,350
Aggregate depreciation brought forward as at 1 April	(6,681)	(6,160)
Depreciation during year	(521)	(521)
Net book value as at 31 March	10,148	10,699
Revaluation reserve as at 31 March	169	190

20. Long-term loans

	2023-24				2022-23
	Capital repayment £'000	Interest £'000	Service charge £'000	Total £'000	Total £'000
Within 12 months	3,839	2,433	19	6,291	6,763
2 - 5 years	13,082	8,302	64	21,448	22,581
6 - 15 years	29,614	11,670	110	41,394	43,651
16 - 25 years	6,073	3,809	62	9,944	12,218
26 - 35 years	5,273	1,814	29	7,116	7,221
36 - 40 years	486	21	-	507	1,028
Subtotal > 1 year	54,528	25,616	265	80,409	86,699
As at 31 March 2024	58,367	28,049	284	86,700	93,462
As at 31 March 2023	62,504	30,654	304	93,462	

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	Other provisions	2023-24 Total	2022-23 Total
	£'000	£'000	£'000	£'000
Opening balance as at 1 April	7,438	7,658	15,096	18,809
Provided in the year	4,751	7,408	12,159	4,400
Provisions not required written back	(1,329)	(311)	(1,640)	(3,911)
Provisions utilised in year	(2,014)	(24)	(2,038)	(2,051)
Change in discount rate	-	(448)	(448)	(771)
Unwinding of discount rate	-	114	114	(1,380)
As at 31 March	8,846	14,397	23,243	15,096

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 £0.06 million (2022-23: £0.09m) and a provision of £8.79 million (2022-23: £7.30m) for Employers' Liability, Public Liability and Third Party Motor Liability within Police Scotland.

Other provisions relate to potential obligations under repairing leases (dilapidations) and organisational restructuring. For dilapidation 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. Other provisions comprise of dilapidation provisions of £7.01 million (2022-23: £7.66m) and a provision of £7.38 million (2022-23: nil) for restructuring.

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	2023-24 Income and Expenditure analysis			2023-24 Statement of Financial Position	2022-23 ¹ Statement of Financial Position
		Actuarial Gain/ (Loss) £'000	Interest on pension scheme obligations £'000	Staff costs £'000	Total £'000	Total £'000
Opening position as at 1 April	A				(13,286,249)	(24,067,781)
Actuarial gain/(loss) in year	B	1,092,664	-	-	1,092,664	11,203,763
Interest on obligation	C	-	(640,023)	-	(640,023)	(430,524)
Expected return on assets	D	-	94,827	-	94,827	54,304
Total service costs	E	-	-	(273,513)	(273,513)	(702,773)
Other movements	F	-	-	609,618	609,618	656,762
As at 31 March 2024		1,092,664	(545,196)	336,105	(12,402,676)	(13,286,249)
As at 31 March 2023¹		11,203,763	(376,220)	(46,011)		

¹ Pension Liability values for 2022-23 have been restated by equal and opposite amount of £80,535k as a result of a prior period adjustment relating to a revision in actuarial information.

The full non-cash adjustment for IAS19 disclosed within the Summary of Resource Outturn for the year ended 31 March 2024 is made of the following:

	2023-24			2022-23		
	Police Officers £'000	Staff £'000	Total £'000	Police Officers £'000	Staff £'000	Total £'000
Interest on obligations	543,200	1,996	545,196	369,700	6,520	376,220
Staff costs	(334,700)	(1,405)	(336,105)	(8,700)	54,711	46,011
As at 31 March	208,500	591	209,091	361,000	61,231	422,231

(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	2023-24			2022-23		
		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		-	1,986,730	1,986,730	-	1,999,727	1,999,727
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)
Effect of Asset ceiling adjustment		-	(453,721)	(453,721)	-	-	-
Opening position as at 1 April	A	(13,252,800)	(33,449)	(13,286,249)	(23,854,800)	(212,981)	(24,067,781)
Current service cost		(225,900)	(46,826)	(272,726)	(601,500)	(100,167)	(701,667)
Past service cost (incl curtailments)		-	(787)	(787)	-	(1,106)	(1,106)
Total service cost	E	(225,900)	(47,613)	(273,513)	(601,500)	(101,273)	(702,773)
Interest income on plan assets	D	-	94,827	94,827	-	54,304	54,304
Interest cost on defined benefit obligation	C	(543,200)	(74,818)	(618,018)	(369,700)	(60,824)	(430,524)
Impact of asset ceiling on net interest	C	-	(22,005)	(22,005)	-	-	-
Total net interest		(543,200)	(1,996)	(545,196)	(369,700)	(6,520)	(376,220)
Total defined benefit cost		(769,100)	(49,609)	(818,709)	(971,200)	(107,793)	(1,078,993)

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	Ref	2023-24			2022-23		
		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		-	47,118	47,118	-	44,695	44,695
Net transfers in from other authorities		(1,100)	-	(1,100)	(1,600)	-	(1,600)
Net transfers out to other authorities and other payments to and on account of leavers		3,500	-	3,500	4,400	-	4,400
Contributions in respect of unfunded benefits		-	1,900	1,900	-	1,867	1,867
Pensions and lump sum expenditure		542,100	-	542,100	593,900	-	593,900
Injury award expenditure		16,100	-	16,100	13,500	-	13,500
Benefits paid		-	-	-	-	-	-
Unfunded benefits paid		-	-	-	-	-	-
Other movements	F	560,600	49,018	609,618	610,200	46,562	656,762
Expected closing position		(13,461,300)	(34,040)	(13,495,340)	(24,215,800)	(274,212)	(24,490,012)
Change in demographic assumptions		(46,300)	22,207	(24,093)	806,900	18,100	825,000
Change in financial assumptions		1,716,900	100,385	1,817,285	11,298,300	831,293	12,129,593
Other experience		(577,900)	(45,992)	(623,892)	(1,142,200)	(64,378)	(1,206,578)
Return on assets excluding net interest		-	93,693	93,693	-	(90,531)	(90,531)
Asset ceiling adjustment		-	(170,329)	(170,329)	-	(453,721)	(453,721)
Total re-measurements	B	1,092,700	(36)	1,092,664	10,963,000	240,763	11,203,763
Fair value of employer assets		-	2,182,338	2,182,338	-	1,986,730	1,986,730
Present value of unfunded liabilities		(12,039,000)	(34,076)	(12,073,076)	(12,910,800)	(33,449)	(12,944,249)
Present value of funded liabilities		-	(1,536,283)	(1,536,283)	-	(1,533,009)	(1,533,009)
Present value of injury liabilities		(329,600)	-	(329,600)	(342,000)	-	(342,000)
Asset ceiling adjustment		-	(646,055)	(646,055)	-	(453,721)	(453,721)
Closing position as at 31 March		(12,368,600)	(34,076)	(12,402,676)	(13,252,800)	(33,449)	(13,286,249)

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). Full membership data as at 31 March 2020 was provided by the Scottish Public Pensions Agency (SPPA). Sufficient additional data was supplied by the Authority and the SPPA (assessed by GAD for reasonableness) to enable the liability at 31 March 2024 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 2024-25.

Year	31 March 2024	31 March 2023
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	5.00% plus promotional scale
2023-24	7.00% plus promotional scale	3.65% plus promotional scale
2024-25	3.55% plus promotional scale	3.65% 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 2024	31 March 2023
Pension increase rate	2.55%	2.40%
Long-term Salary increase rate	3.55%	3.65%
Short-term Salary increase rate	n/a	n/a
Discount rate	5.10%	4.15%

Mortality rates

In all cases, life expectancies relate to members retiring in normal health.

Baseline mortality - In line with initial recommendations for the 2020 actuarial valuation (2022-23 in line with 2020 actuarial valuation).

Future mortality improvements - in line with ONS 2020-based population projections (2022-23 in line with ONS 2020-based population projections).

	31 March 2024		31 March 2023	
	Males	Females	Males	Females
Current normal health pensioners	25.9 years	27.7 years	25.8 years	27.6 years
Future pensioners	27.6 years	29.2 years	27.5 years	29.2 years

(b) Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	31 March 2024		31 March 2023	
	Change in Employer Liability %	Approximate Monetary amount £'000	Change in Employer Liability %	Approximate Monetary amount £'000
0.5% increase in real discount rate	(7.0)	(846,000)	(8.0)	(1,033,000)
1 year increase in member life expectancy	2.0	242,000	3.0	387,000
0.5% increase in salary increase rate	1.0	121,000	1.0	129,000
0.5% increase in the pensions increase rate (CPI)	7.0	846,000	7.0	904,000

The liability is very sensitive to the assumed discount rate and the pension increase rate. For 2023-24, the increase in the assumed rate of pension increases from 2.40% p.a. to 2.55% p.a. and the decrease in the assumed rate general pay increases from 3.65% p.a. to 3.55% p.a., both decreases the value of the liabilities. The increase in the nominal discount rate from 4.15% p.a. to 5.10% 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 2025 is estimated to be 27.1% (2023-24: 31.3%) of pensionable salaries, with the injury benefit scheme's equivalent Current Service Cost being estimated at 0.54% (2023-24: 0.63%).

(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.

	2023-24 Net (liability) / asset			2022-23 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	(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)
Opening position as at 1 April	(12,910,800)	(342,000)	(13,252,800)	(23,306,300)	(548,500)	(23,854,800)
Current service cost	(221,500)	(4,400)	(225,900)	(589,700)	(11,800)	(601,500)
Past service cost (including curtailments)	-	-	-	-	-	-
Total service cost	(221,500)	(4,400)	(225,900)	(589,700)	(11,800)	(601,500)
Interest income on plan assets	-	-	-	-	-	-
Interest cost on defined benefit obligation	(529,200)	(14,000)	(543,200)	(361,200)	(8,500)	(369,700)
Total net interest	(529,200)	(14,000)	(543,200)	(361,200)	(8,500)	(369,700)
Total defined benefit cost	(750,700)	(18,400)	(769,100)	(950,900)	(20,300)	(971,200)
Net transfers in from other authorities	(1,100)	-	(1,100)	(1,600)	-	(1,600)
Net transfers out to other authorities and other payments to and on account of leavers	3,500	-	3,500	4,400	-	4,400
Contributions in respect of injury benefits	-	-	-	-	-	-
Pensions and lump sum expenditure	542,100	16,100	558,200	593,900	13,500	607,400
Other movements	544,500	16,100	560,600	596,700	13,500	610,200
Expected closing position	(13,117,000)	(344,300)	(13,461,300)	(23,660,500)	(555,300)	(24,215,800)

	2023-24 Net (liability) / asset			2022-23 Net (liability) / asset		
	PPS/NPPS/ 2015 £'000	Injury £'000	Total £'000	PPS/NPPS/ 2015 £'000	Injury £'000	Total £'000
Change in demographic assumptions	(46,300)	-	(46,300)	806,900	-	806,900
Change in financial assumptions	1,676,500	40,400	1,716,900	11,050,600	247,700	11,298,300
Other experience	(552,200)	(25,700)	(577,900)	(1,107,800)	(34,400)	(1,142,200)
Total re-measurements	1,078,000	14,700	1,092,700	10,749,700	213,300	10,963,000
Fair value of employer assets	-	-	-	-	-	-
Present value of unfunded liabilities	(12,039,000)	-	(12,039,000)	(12,910,800)	-	(12,910,800)
Present value of injury liabilities	-	(329,600)	(329,600)	-	(342,000)	(342,000)
Closing position as at 31 March	(12,039,000)	(329,600)	(12,368,600)	(12,910,800)	(342,000)	(13,252,800)

24. Local Government Pension Schemes

The latest formal triennial valuations of the Scottish LGPS funds were as at 31 March 2023. These new results from the 31 March 2023 triennial funding valuation are now available to use as the starting point for actuarial calculations, and also to assess the value of the Authority’s assets and liabilities in the funds as at 31 March 2024 for the purposes of IAS19. 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 2024	31 March 2023
Pension increase rate	2.75%	2.95%
Salary increase rate	3.45%	3.65%
Discount rate	4.85%	4.75%

Mortality rates

The life expectancies for each Fund are based on the mortality assumptions adopted for the 2023 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 2022 model with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, smoothing (Sk=7), 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 2024		31 March 2023	
	Males	Females	Males	Females
Current pensioners	19.9 years	22.7 years	19.3 years	22.2 years
Future pensioners	21.5 years	24.7 years	20.5 years	24.2 years

(b) Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	31 March 2024		31 March 2023	
	Increase to Employer Liability %	Approximate Monetary amount £'000	Increase to Employer Liability %	Approximate Monetary amount £'000
0.1% decrease in real discount rate	2	32,265	2	31,816
1 year increase in member life expectancy	4	62,815	4	58,417
0.1% increase in salary increase rate	-	4,499	-	3,759
0.1% increase in the pensions increase rate (CPI)	2	28,311	2	28,509

**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 2025

	Assets	Obligations	Net (liability) / asset	
	£'000	£'000	£'000	% of pay
Projected current service cost*	-	40,489	(40,489)	(17.3)%
Past service cost including curtailments	-	-	-	-
Effect of settlement	-	-	-	-
Total service cost	-	40,489	(40,489)	(17.3)%
Interest income on plan assets	106,031	-	106,031	45.3%
Interest cost on defined benefit obligation	-	76,547	(76,547)	(32.7)%
Interest on the effect of the asset ceiling	(31,334)	-	(31,334)	(0.0)%
Total net interest cost	74,697	76,547	(1,850)	12.6%
Total included in net expenditure	74,697	117,036	(42,339)	(4.7)%

**The current service cost includes an allowance for administration expenses of 0.3% of payroll.*

The estimated employers' contributions for the year to 31 March 2025 will be approximately £27.5 million.

(d) Split of the fund assets

	As at 31 March 2024				As at 31 March 2023			
	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	161,127	8	161,135	7.4%	242,842	1	242,843	12.2%
Manufacturing	169,433	9	169,442	7.7%	272,908	8	272,916	13.7%
Utilities	45,239	-	45,239	2.1%	119,340	-	119,340	6.0%
Financial Institutions	134,918	87	135,005	6.2%	119,219	-	119,219	6.0%
Healthcare	99,121	30	99,151	4.5%	145,539	-	145,539	7.3%
IT	125,634	-	125,634	5.8%	82,445	1	82,446	4.1%
Other	52,638	-	52,638	2.4%	135,743	-	135,743	6.8%
Debt securities								
Corporate bonds (investment grade)	55,338	1,524	56,862	2.6%	30,985	17	31,002	1.6%
Corporate bonds (non-investment grade)	-	-	-	0.0%	-	-	-	0.0%
UK Government	37,174	11,446	48,620	2.2%	229,294	40	229,334	11.5%
Other	9,927	3,289	13,216	0.6%	41,319	26	41,345	2.1%
Private equity:								
All	22,157	152,038	174,195	8.0%	1,237	8,030	9,267	0.5%
Real estate:								
UK property	106,868	63,487	170,355	7.8%	13,460	76,387	89,847	4.5%
Overseas property	4,272	2	4,274	0.2%	2,626	548	3,174	0.2%
Investment funds & unit trusts:								
Equities	481,764	209,395	691,159	31.7%	27,342	3,371	30,713	1.5%
Bonds	36,883	76,989	113,872	5.2%	198	57,889	58,087	2.9%
Hedge funds	-	-	-	0.0%	-	116	116	0.0%
Commodities	-	2,556	2,556	0.1%	-	2	2	0.0%
Infrastructure	472	57,603	58,075	2.7%	30	281,943	281,973	14.2%
Other	6,271	4,877	11,148	0.5%	68	26	94	0.0%
Derivatives:								
Inflation	-	-	-	0.0%	-	-	-	0.0%
Interest rate	(22)	-	(22)	0.0%	-	-	-	0.0%
Foreign exchange	(354)	-	(354)	0.0%	84	-	84	0.0%
Other	75	-	75	0.0%	-	-	-	0.0%
Cash:								
All	39,629	10,434	50,063	2.3%	93,564	82	93,646	4.7%
Total	1,588,564	593,774	2,182,338	100.0%	1,558,243	428,487	1,986,730	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.

	2023-24			2022-23		
	Assets £'000	Obligations £'000	Net (liability)/ asset £'000	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair value of employer assets	1,986,730	-	1,986,730	1,999,727	-	1,999,727
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)
Effect of asset ceiling	(453,721)	-	(453,721)	-	-	-
Opening position as at 1 April	1,533,009	1,566,458	(33,449)	1,999,727	2,212,708	(212,981)
Current service cost	-	46,826	(46,826)	-	100,167	(100,167)
Past service cost (including curtailments)	-	787	(787)	-	1,106	(1,106)
Total service cost	-	47,613	(47,613)	-	101,273	(101,273)
Interest income on plan assets	94,827	-	94,827	54,304	-	54,304
Interest cost on defined benefit obligation	-	74,818	(74,818)	-	60,824	(60,824)
Impact of asset ceiling on net interest	(22,005)	-	(22,005)	-	-	-
Total net interest	72,822	74,818	(1,996)	54,304	60,824	(6,520)
Total defined benefit cost	72,822	122,431	(49,609)	54,304	162,097	(107,793)
Plan participants' contributions	14,975	14,975	-	13,686	13,686	-
Employer contributions	47,118	-	47,118	44,695	-	44,695
Transfers in from other authorities	-	-	-	-	-	-
Contributions in respect of unfunded benefits	1,900	-	1,900	1,867	-	1,867
Pensions and lump sum expenditure	-	-	-	-	-	-
Benefits paid	(45,590)	(45,590)	-	(35,151)	(35,151)	-
Unfunded benefits paid	(1,900)	(1,900)	-	(1,867)	(1,867)	-
Other movements	16,503	(32,515)	49,018	23,230	(23,332)	46,562
Expected closing position	1,622,334	1,656,374	(34,040)	2,077,261	2,351,473	(274,212)

	2023-24			2022-23		
	Assets £'000	Obligations £'000	Net (liability)/ asset £'000	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Change in demographic assumptions	-	(22,207)	22,207	-	(18,100)	18,100
Change in financial assumptions	-	(100,385)	100,385	-	(831,293)	831,293
Other experience	(9,415)	36,577	(45,992)	-	64,378	(64,378)
Return on assets excluding net interest	93,693	-	93,693	(90,531)	-	(90,531)
Changes in the effect of the asset ceiling	(170,329)	-	(170,329)	(453,721)	-	(453,731)
Total re-measurements	(86,051)	(86,015)	(36)	(544,252)	(785,015)	240,763

Fair value of employer assets	2,182,338	-	2,182,338	1,986,730	-	1,986,730
Present value of unfunded liabilities	-	34,076	(34,076)	-	33,449	(33,449)
Present value of funded liabilities	-	1,536,283	(1,536,283)	-	1,533,009	(1,533,009)
Effect of the asset ceiling	(646,055)	-	(646,055)	(453,721)	-	(453,721)
Closing position as at 31 March	1,536,283	1,570,359	(34,076)	1,533,009	1,566,458	(33,449)

25. Scottish Government funding

The cash and non-cash Grant in Aid received from the Scottish Government (SG) is detailed below, and shown within the Statement of Resource Outturn analysis within the Accountability Report.

Grant in Aid	2023-24 £'000	2022-23 £'000
1 Cash		
1a) Revenue grant funding ^{1,2}	1,367,318	1,298,995
1b) Reform funding – revenue	-	21,300
Resource funding (Cash)	1,367,318	1,320,295
1c) Working Capital cash	15,530	5,422
1d) Outside Departmental Expenditure Limit (ODEL) grant	3,733	5,051
Resource, ODEL, other Grant in Aid	1,386,581	1,330,768
1e) Capital grant funding ²	50,190	48,900
1f) Reform funding – capital	-	4,600
Capital funding	50,190	53,500
Total Cash received	1,436,771	1,384,268
2 Non-cash		
2a) Fiscal Resource (IFRS 16)	341	191
2b) Capital (IFRS 16)	8,382	4,901
2c) Ring-fenced Non-cash	65,731	57,071
2d) Annually Managed Expenditure (AME)	50,949	78,921
Total Non-cash funding	125,403	141,084
Total Grant in Aid	1,562,174	1,525,352

¹ 2022/23 amount includes £15.403m funding for Operation Unicorn

² In 2023-24, Reform funding for both revenue (£20.000m) and capital (£4.600m) is now included by SG in the main grant baselines.

Other Scottish Government funding was received per the schedule below. Annex D grant 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	2023-24 £'000	2022-23 £'000
Annex D and pension funding	442,996	498,339
Safety Camera Partnership	5,538	5,041
Violence Reduction Unit	974	1,161
International Development Unit	410	306
Other	2,193	1,142
Other Scottish Government funding	452,111	505,989

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. Following an assessment of the available information and the materiality of claims, the contingent liability as at the end of the financial year has been estimated at £9 million (31 March 2023: £31m).

Emergency Services Network

Following the Competition and Markets Authority’s (CMA) report (Mobile radio network for the police and emergency services Final report and decision on a market investigation reference, CMA, October 2021), and the subsequent judgement of the Competition Appeal Tribunal in December 2023, Motorola (who own and control the Airwave network, the current provider of the Emergency Services Network) were required to reduce the price charged for the Airwave service. This was in line with the CMA’s direction on a price cap, applicable from July 2023.

For Police Scotland, this has reduced costs at present, although subsequent legal challenge (at national level) to this position is possible. At present, subject to final clarity on the issue, a contingent liability of £1m has been estimated, based on reductions applied to date.

27. Financial commitments

The Authority had capital commitments as at 31 March 2024 as follows:

Capital Commitments	2023-24 £'000	2022-23 £'000
Property, plant & equipment	4,023	20,807
Intangible assets	640	293
Balance as at 31 March	4,663	21,100

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. Third party assets

Police Scotland can hold monies confiscated in the normal course of operational policing, principally in line with powers under the Proceeds of Crime Act 2002 (POCA). These monies are held on behalf of other parties and are therefore constitute a Third-party asset. These balances are consequently not included in cash and bank balances as disclosed in the Statement of Financial Position, but are disclosed in the table below as Third-party assets due to their materiality and ongoing nature of this activity.

Third-party assets	2023-24 £'000	2022-23 £'000
Cash held within confiscation accounts	1,421	1,296 ¹
Total	1,421	1,296

¹ Previously reported as part of balance in Cash and Cash Equivalents Note to the Financial Statements, 2022/23.

30. 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 2024 £'000	31 March 2023 £'000
Financial assets			
<i>Amortised cost</i>			
Cash and cash equivalents	12	15,519	26,146
Trade and other receivables	14	9,472	10,621
Balance as at 31 March		24,991	36,767
Financial Liabilities			
<i>Amortised cost</i>			
Trade and other payables	16	(59,180)	(81,106)
Leases	18	(48,790)	(46,583)
PFI agreements	19	(9,464)	(11,130)
Long-term loans	20	(58,367)	(62,504)
Balance as at 31 March		(175,801)	(201,323)

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.

31. 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 2023-24 which have not been disclosed.

32. 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 (FReM); 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.

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 £8.8m as at 31 March 2024 (£7.4m as at 31 March 2023).

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 £7.0m as at 31 March 2024 (£7.7m as at 31 March 2023). A further provision value has been estimated in relation to the Voluntary Early Retirement (VER) / Voluntary Redundancy (VR) programme amounting to £7.4m (nil as at 31 March 2023).

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 2023/24 for property, plant and equipment are £54m (rounded), so in the event that such a review altered the (weighted) average UEL by 10%, this would increase/decrease depreciation charges by approximately £5.4m.

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 primarily 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 2024, 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 2024 based on data obtained through the 2023 formal valuation for the employer.

GAD have calculated scheme liability for police schemes at 31 March 2024 using updated membership data from the actuarial valuation as at 31 March 2020.

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 £612m as at 31 March 2024 (£420m as 31 March 2023).

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 2023-24 actuarial review, the initially reported asset value has been adjusted (“capped”) to an overall net liability of (£34m) (31 March 2023 : net liability of (£33m)).

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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 (FRM) 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