

Criminal Justice Committee

Pre-budget scrutiny 2025-26

Written submission by the Scottish Police Authority, October 2024

The Scottish Police Authority will attend the Criminal Justice Committee on Wednesday 30 October 2024 to give evidence as part of its pre-budget scrutiny. This written evidence sets out the context for the policing budget and the challenges and requirements for the years ahead. This information aims to support Committee Members' questioning on the day.

Context

Since 2012, policing has delivered one of the most extensive and successful structural public sector reform programmes in Scotland. Establishing a single national service in Scotland saw the biggest change in policing and the oversight of policing across the whole of the UK in decades.

Prior to this reform, Scotland's policing services were delivered by eight regional organisations and two national bodies.

This police reform journey has delivered £200 million per year of budgetary savings through efficiencies – a significant saving to taxpayers. Reform has not been without challenge, and further change is required in the period ahead. Notwithstanding this, I look back with conviction and confidence that Police Scotland and Forensic Services are delivering a service better than anything that preceded them.

Establishing and embedding the single service model provides the foundations for our reform and improvement journey to continue. The second phase of police reform is now underway which aims to ensure policing continues to deliver an effective service for the future.

The pressures on policing have changed dramatically over the last decade. Crime in the public space has reduced while cyber enabled crime and fraud has grown. With increasing complexity and vulnerability, policing has proven time and time again that it can adapt and change to keep up. However, the policing budget plays a key part in the pace of change and the financial constraints have made the pace slower than we need.

The Authority fully supports Police Scotland's efforts, under the direction of Chief Constable Jo Farrell, to take forward further service led reform. In September 2024, the Chief Constable set out a clear vision, with priorities and workforce modernisation that includes strengthening the frontline of policing. This has been considered in detail and fully supported by the Authority. This vision and plan explain how Police Scotland will continue to adapt and change to deliver efficient, effective and sustainable policing services to the public.

The priorities for Police Scotland in the years ahead have been developed to be delivered by a workforce of circa 22,000. This incorporates funding for an officer establishment of up to 16,600 police officers. The Authority therefore expects the policing workforce to be modernised and the mix between officers and staff enhanced in support of frontline policing.

There will always be an element of uncertainty and unpredictability in policing. In recent years the covid pandemic, legislative change and major events have placed unprecedented demands on the service. Growing demand from non-crime related calls for service related to mental health, distress and vulnerability continue to place significant pressure on the service. The Authority supports efforts by policing to engage and work with partners to identify more effective and efficient solutions to this demand. The Chief Constable has set out her support for further public sector reform, including the criminal justice system, where circa 500 officers a day are being called to attend court.

Approach

As the Chair of the Authority, I have always sought to come to a shared, clear and evidenced based budget advocacy position with the Chief Constable. This allows us to make the most effective representations to the Cabinet Secretary for Justice. To support this process, the Chief Constable and I meet with a small key group on a regular basis through the year to consider the development of the budget requirement for the year ahead. I established this approach in 2022 and involve other Board members who chair our committees. These efforts culminate with a budget proposal going to the Authority's Resources Committee for detailed scrutiny and recommendation to the public session of the Authority in March each year.

Since taking office in February 2021, I have worked with the Chief Constable, the Accountable Officer and the Chief Financial Officer to ensure a balanced budget is set and achieved each financial year. I am very proud of the team effort which has eradicated a structural operating deficit.

In addition, since becoming Chair, our accounts have received a clean bill of health with no qualifications from our auditor or a Section 22 report. This has been a priority and critical objective for me while in office - without financial credibility we cannot effectively champion and advocate for investment or further improvement.

Annual budget setting is a major challenge. It fosters a financial environment of uncertainty and short-term decision making. The Authority would strongly advocate for a multi-year settlement approach to allow policing to reform and improve more strategically in the years ahead.

Against this current context, and the Authority's endorsement of Police Scotland's vision, priorities and workforce modernisation, we would make the following points in considering the overall policing budget for 2025/26 and future years:

Revenue

The Scottish Police Authority set a revenue budget of £1,418.7 million for 2024/25. An additional 4.2% (£59.1m) of revenue funding is requested for 2025/26.

This requirement would allow policing to maintain our overall workforce numbers, including up to 16,600 police officers. It will also address inflationary pressures that cannot be mitigated by savings, and meet a pay award aligned with the public sector pay strategy. Crucially, this would also support the continued reform of policing as outlined in Police Scotland's vision and 3-year business plan.

This revenue request incorporates additional funding required for proposed legislative change which will impact on policing, for example the Domestic Abuse (Protection) (Scotland) Act 2021 and the Police (Ethics, Conduct and Scrutiny) (Scotland) Bill.

In the event of a flat cash revenue settlement in 2025/26, policing would need to reduce its workforce headcount, across police officers and police staff, to achieve full year savings equivalent to approximately 1,300 people. This would require a freeze on officer recruitment and a staff exit programme. With such a large workforce reduction, there would be an inevitable impact on the service that policing would be able to deliver.

Capital

The Scottish Police Authority has a need for £83m capital investment in 2025/26 to deliver the basic rolling replacement programme of fleet, systems and policing equipment. This compares with a forecast spend of £67.5m in 2024/25. This investment for 2025/26 will also support delivery of a radical redesign of our estate which will be considered by the Authority in November prior to more formal consultation.

The Authority recognises that there is unprecedented demand across the public sector for capital funding. However, the result of a decade of underinvestment in the police estate and technology has now become the single most pressing investment issue for policing.

Over the next 10-years we anticipate net additional capital expenditure of circa £200m related solely to additional spend on the estate incremental to current budget levels, assuming all proceeds from property sales can be retained.

We recognise that this is a significant financial outlay at a time of considerable fiscal constraint. However, the current position is no longer sustainable. The Authority would welcome discussions with the Scottish Government about financial flexibilities with the management of capital receipts and the legal power of the Authority to borrow (under section 4(2b) of the Police and Fire Reform (Scotland) Act 2012 with Ministerial Approval). This borrowing power has never been exploited and could release the capital investment required beyond the regular grant funding.

Forensic Services

The Authority is also responsible for the provision of a unique, public and independent crime scene-to-court Forensic Service to policing, the Crown Office and Procurator Fiscal's Service and the Police Investigations and Reviews Commissioner. The Authority's Forensic Services are being delivered at a cost of £44 million in the current 2024/25 financial year. This represents 3.2% of overall policing budget and while work remains ongoing, we don't expect this percentage to significantly change in the year ahead. Over the last three years, Forensic Services has revised its operating model to develop a more flexible and sustainable service which can flex to meet continually changing demands.

However, the prevalence of drug driving in Scotland is a significant concern for policing and has far exceeded predictions when the legislation was introduced. This has had a considerable impact on the demand for drug driving toxicology services.

In recognition of the increased prevalence, the Scottish Government has provided an additional £2.2m to Forensic Services to support increased capacity to address demand, including the outsourcing of toxicology services.

Forensic Services and Police Scotland have been working to develop options for a long-term sustainable model that can meet this demand in the future. While options are still being fully explored and costed, we expect this to require circa £4-£5m additional revenue funding per year and approximately £10m one off capital funding. The costs and mix of revenue/capital funding will depend on the model adopted and the Authority expects this work to inform the 2026/27 budget and beyond.

SPA Corporate

The third element of the policing budget I would alert the committee to, are the costs associated with the governance and oversight of policing. The Authority's corporate function supports the Board in its oversight and scrutiny of policing and delivers a range of statutory functions including complaint and conduct matters and an independent custody visiting scheme. The corporate function was allocated 0.4% (£5.5m) of the policing budget in 2024/25. When benchmarked against other similar policing oversight bodies such as the British Transport Policing Authority (0.7%) or the Northern Ireland Policing Board (0.7%), this reflects favourably. The Authority does not expect this percentage to change in the year ahead.

Finally, the Committee will be aware HMICS conducted a Strategic Review of the Scottish Police Authority which published in June 2024. This was a very positive report which highlighted significantly improved leadership, direction, governance and oversight of policing in Scotland by the Authority. My tenure as Chair of the Authority comes to an end on 31 January 2025, I am proud of all that have been achieved over the last 4-years. The Authority has developed itself as a strong, effective public body which adds significant value to the policing system.

I trust this submission aids members pre-budget scrutiny. We look forward to answering members' questions on Wednesday 30 October 2024.