

Criminal Justice Committee

21st Meeting, 2023 (Session 6), Wednesday 13 September 2023

Pre-budget scrutiny

Note by the clerk

Introduction

1. Each year, subject committees in the Parliament carry out pre-budget scrutiny in advance of the publication of the Scottish Government's budget for the forthcoming financial year.
2. The aim is for the committees to collect evidence on spending priorities and make recommendations to the relevant Cabinet Secretary before the Scottish Government finalises its budget.
3. At the first of its planned evidence sessions on the proposed 2024/25 budget, the Committee will hear from the following organisations:

Panel 1

- Jane Connors, DCC Crime and Operational Support, David Page, Deputy Chief Officer, and James Grey, Chief Financial Officer, Police Scotland
- Lynn Brown, Chief Executive, Scottish Police Authority
- Ross Haggart, Chief Officer, Stuart Stevens, Deputy Chief Officer, and John Thomson, Acting Director of Finance and Procurement, Scottish Fire and Rescue Service

Panel 2

- Stephen McGowan, Deputy Crown Agent, Crown Office and Procurator Fiscal Service
 - Eric McQueen, Chief Executive, Scottish Courts and Tribunals Service
4. At subsequent meetings in the autumn, the Committee plans to hear from other organisations within the criminal justice sector and then from the Cabinet Secretary for Justice and Home Affairs. Thereafter, the Committee will produce a short report with its recommendations.
 5. Written submissions that have been submitted from the above organisations are set out in **Annex A** to this paper.

6. Additionally, the Committee has received a written submissions from other organisations that are relevant to this evidence session. These are set out in **Annex B**. All other submissions are available [online](#).
7. In addition to the written submissions from today's witnesses, SPICe have produced a briefing paper for members to read (**see Paper 3**).
8. **Annex C** also contains various tables and charts with background information on the current budgetary situation in 2023/24 in the criminal justice sector

Focus of the pre-budget scrutiny

9. Last year, the focus of the Committee was on the potential impact of the spending announcements made as part of the resource spending review (RSR) published in May 2022. This would have seen flat cash settlements (i.e. below inflation awards) across the sector. The Committee's [report](#) and the Scottish Government's [response](#) are both published online.
10. This year, the focus for the Committee is again a general one on the financial pressures facing organisations in the criminal justice sector and views on the main priorities for 2024/25. Of particular interest to the Committee is the pressure on capital budgets and investment in policing, the fire and rescue services, prisons, courts, community justice, criminal justice social work and the third sector.

Action

11. Members are invited to discuss budget matters with the witnesses at today's meeting.

**Clerks to the Committee
September 2023**

Written submissions from today's witnesses**Scottish Police Authority and Police Scotland****Overview**

The Scottish Government's Resource Spending Review (RSR) published in May 2022 indicated that policing should plan for a flat cash funding settlement up until FY 2026-27, a departure from the Scottish Government's commitment to the real terms protection of police funding.

The Capital Spending Review (CSR) published January 2021 (updated in May 2022) also indicated a flat cash capital settlement, representing a significant funding shortfall compared to our capital requirements over the medium term.

Although the revenue settlement for 2023-24 was not as severe as flat cash, outlining an £80m uplift in cash terms, the allocation was a real terms cut in funding compared to 2022-23, with £37m required to continue to fund the 2022-23 pay award for officers and staff. As a result, the budgeted full time equivalent number of police officers in Scotland has reduced from 17,234 to 16,600 in 2023-24, a ~3.7% reduction. Of necessity, policing is also reducing police staff member costs in proportion to the reduction in officer numbers and reducing overtime spending.

Hard choices are being taken to maintain effective policing within the funding available, including a pause on police staff recruitment other than for some critical or externally funded posts. Consequently, some of the things policing does will be done differently or take longer. The level of service in relation to some police work will reduce and our performance reporting is beginning to reflect those pressures.

Policing continues to respond to increasing and increasingly complex community and individual needs, evidenced by a higher number of contacts into policing. Areas which encounter the greatest demand and which carry the greatest risk are being prioritised for resources to ensure policing continues to address harm and protect the vulnerable.

However, demands on policing continue to rise and over the last year we have seen increasing rates in some crime categories and, with reduced capacity and limited investment, a reduction in detection rates.

The future funding position remains uncertain. The Scottish Government's recently published Medium Term Financial Strategy (MTFS) states that "economic conditions are set to remain challenging as inflationary pressures continue" and that "pressures on funding are expected to be most severe in 2024-25".

Initial analysis, based on an illustrative 2% pay award for 2024-25, other unavoidable pressures and potential savings, indicates that for policing in Scotland to operate within a flat-cash funding allocation during 2024-25, savings of ~£50m would be required, including a further 600 FTE reduction in officers and a further 200 FTE reduction in staff members to

CJ/S6/23/21/2

be implemented by 1 April 2024. This is in addition to the 3.7% reduction required as a result of the 2023-24 budget settlement.

It is impossible to achieve further reductions of this scale by 1 April 2024 through natural attrition which ultimately means we will have to reduce the workforce further in-year and throughout 2024-25 to generate the savings required to fund pay awards. This would require urgent management of our officer recruitment profile as well as ongoing staff reductions.

Capabilities such as Body Worn Video, critical improvements in our Contact, Command and Control platforms, further development of our mobile platforms and Core Operating Solution are all at risk with reduced funding levels alongside service design and efficiency focused work.

Scottish Government Resource Spending Review - May 2022

[The SPA / Police Scotland submission to the Scottish Government's RSR process](#) outlined how responsive, effective, operationally competent policing is a pre-requisite for safety and security; for social cohesion; and for a vibrant and sustainable country.

The submission highlighted that for the service to stay ahead of growing volumes of complex demand, increasing levels of vulnerability, ever evolving threats and risks, forthcoming legislative requirements, and ensuring a sustainable and resilient service, Scottish Government's investment in policing must go significantly beyond real terms protection or flat cash to allow the service to keep pace with the rising cost of change, service transformation and the introduction of new technology to enable that.

Transformation of Public Services

Since the creation of a single national service, policing has already delivered the financial and operational benefits of significant reform that the RSR now requires of the wider public sector.

The RSR states that it is "essential to drive reform across public services" and the Government supports "An enhanced focus on delivering efficiency savings across the public sector" through a variety of levers, including:

- Innovation;
- efficiency;
- improvement in procurement;
- collaboration; and
- Reducing the public sector workforce.

Policing in Scotland has successfully delivered one of the most significant Reform programmes in the UK over the past 20 years by integrating eight separate police services and two supporting bodies into a single national police service delivering substantial cost savings and service improvements. As a result, over £200 million has been removed from the annual cost base compared to legacy arrangements including through significant reductions in chief officer, senior officer and staff numbers, as well as efficiencies and improved working practices. Delivering necessary savings is an achievement and an enormous ongoing challenge.

As the significant financial benefits from reform and transformation have already been realised through the creation of the single service, it is not possible for Police Scotland to deliver substantial savings for a second time through efficiency or restructuring.

Further significant cuts can only be achieved through a pay-freeze or by funding future pay awards via workforce reductions, alongside radical targeted action to reduce the overall non-pay cost base, i.e. significant reductions in the number of police buildings to save on utilities, non-domestic rates and maintenance costs.

The benefits of co-location of services are well evidenced. Through the work of the Blue Light Collaboration Programme we continue to work with Scottish Fire and Rescue Services (SFRS) and the Scottish Ambulance Service (SAS) to further explore additional opportunities for Blue Light Collaboration. We will continue to explore options for considering how Blue Light services could be more efficiently and effectively integrated and shared to achieve further cost savings and improve service delivery outcomes.

Revenue

The revenue budget provided by the Scottish Government in 2023-24 represented a real terms cut for Police Scotland which does not allow the organisation to maintain the workforce at the levels of previous years and at the same time make a fair pay award in 2023-24.

Police Scotland has already returned more than £200m to the public purse every year compared to legacy arrangements (as noted above). An additional £54m of savings have been assumed to ensure the service can live within the 2023-24 budget settlement.

Hard choices are being taken to deliver effective policing within the funding available and action is being taken to achieve these savings, with areas which encounter the greatest demand and carry the greatest threat, harm and risk prioritised for resources.

Officer numbers have already reduced to 16,600. Over the last year, the impact has been mitigated through a significant increase in overtime. The funding allocation for 2023-24 means the officer establishment will remain around 16,600 (plus additional funded officers) and a service model is being built which reflects that level. At the same time, the police staff pay bill will be reduced proportionately and overtime will be reduced.

Officer and staff pay accounts for over 85% of policing's revenue budget. The most significant revenue pressure for the organisation will continue to be annual pay awards. Each 1% pay increase in 2024-25 requires ~£11.5m of additional recurring funding, the equivalent of ~225 officers.

The United Kingdom Office of National Statistics estimates that the Consumer Prices Index (CPI) has risen by 6.8% in the 12 months to July 2023, down from 7.9% in June. So in addition to the pay award, we are experiencing non-pay inflationary pressures, an increase in digital costs and the impact of the costs of ongoing and upcoming public inquiries.

Police Scotland will continue to seek ongoing savings and efficiencies through continuous improvement by accelerating estates co-locations, collaborating with other public bodies and delivering the green agenda through smarter energy practices and the transition to electric fleet. As a result, the estates footprint and fleet capability will become more cost effective,

CJ/S6/23/21/2

however these efficiencies alone are not sufficient to deliver the significant savings required to manage a flat cash funding position over the medium term.

Initial analysis based on an illustrative 2% pay award per annum for the period 2024-25 to 2027-28, plus an assessment of other unavoidable pressures and potential savings, indicates that for policing in Scotland to operate within a flat-cash funding allocation, ~£140m of recurring savings would be required to accumulate over this period - pay award assumptions alone would require a ~2,070 FTE reduction over the next four years, the equivalent of a 9.3% workforce reduction. These reductions are in addition to the 3.7% reduction already agreed as a result of the 2023-24 budget settlement:

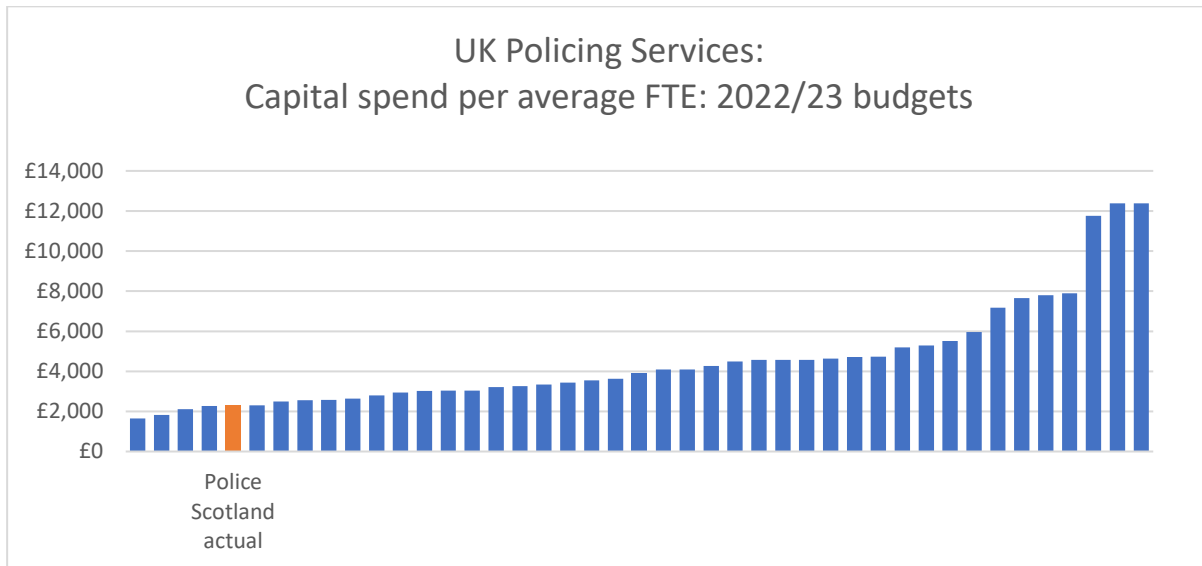
Impact of a flat cash settlement *	Impact of 2023-24 settlement (FTE)	Indicative workforce reductions required by 1 April each year based on illustrative 2% pay award / average salary				Reduction 2024 - 2028 (FTE)	Total reduction 2023 - 2028 (FTE)
		2024/25	2025/26	2026/27	2027/28		
Officers	634	595	326	319	313	1,553	2,187
Staff	189	198	109	107	104	518	707
Total	823	793	435	426	417	2,071	2,894
Cumulative reduction (%)						9.3%	12.6%

* *Proportionate reduction (based on average salaries)*

Capital and Transformation

In common with other public sector organisations, policing is facing significant financial challenges, including limited capital funding to meet current demands.

The Scottish Government Capital Spending Review indicates a ~£50m flat cash funding allocation up to FY 2025-26. The graph below shows that our current capital allocation is among the lowest in UK policing on an average FTE basis. This is significantly short of the funding required to improve conditions and equipment for the wellbeing of officers and staff; enable a better service to be provided to the public; and create time saving efficiencies through the use of new technologies.



Capital investment can be categorised into two broad categories (1) rolling replacement investment and (2) change and transformation. It is estimated that the current capital allocation represents a 10%-30% reduction in purchasing power due to the current high inflation environment, and that current levels of funding are not sufficient to meet even the rolling replacement programme.

Capital plans indicate that Policing in Scotland requires ~£548m over a five year period, an average of £110m each year, to be sustainable. The £250m funding available in a flat cash funding environment is significantly short of this demand, representing a £298m funding shortfall.

In order to manage the shortfall in the short term, all capital and reform bids have been approved to proceed in 2023-24 but the actual pace of delivery is restricted within the funding available. This is not a sustainable position as we are simply pushing cumulative under-funding into future years. We are already seeing significant spend in the first four months of the current financial year, indicating that capital spend may have to be slowed or stopped as part of the Quarter 2 financial review.

Unless funding is increased, capital allocations will continue to be over-committed ultimately leading to sustainability issues, as noted above, and the risk that projects and programmes cannot be completed within the funding available. As a result, the organisation will be unable to make the investment required to meet the objectives of the Joint Strategy for Policing, and will restrict the ability to deliver against organisational strategies: such as estates, fleet and digital.

The risks of underfunding are detailed below:

- The current level of funding is not sufficient to maintain the existing size of the estate - as an organisation we have prioritised meeting health and safety requirements and basic repairs but as a result buildings continue to deteriorate.
- The ability to deliver estates transformation and co-location projects will be significantly reduced.
- Any reduction in the fleet would have a significant impact in terms of increasing the average age and would result in increased repairs and maintenance costs within the

CJ/S6/23/21/2

revenue budget – est. additional revenue cost of £0.1m per annum for every £1.0m reduction in capital.

- The roll out of ULEVs will stall at ~40% of the overall fleet as a lower level of funding would be insufficient to purchase the level of charging infrastructure required to support a fully electric fleet.
- The organisation would continue to invest only in diesel vehicles which does not meet the requirements of the Fleet Strategy and has both environmental and financial implications.
- Without continued, focussed investment in ICT infrastructure and future technology, the ability to support all other enabling strategies diminish and there is a real and credible risk that as a national police service, we will not have the tools and technologies to quickly adapt to the changing nature of crime.
- This comes with significant operational impacts around replacing ageing and obsolete systems, inability to deliver new capabilities that support operational policing and increase risk of cyber attacks with resultant impacts on public trust and confidence.
- In addition, key refresh programmes such as airwave would be delayed and would have a direct link to officer safety.

Reform of Police Scotland will continue to focus on developing organisational capability such as Body Worn Video, essential improvements in critical national infrastructure such as 999/101 service centres and technology related to combating cyber crime - but also in ensuring that the organisation is as fit for purpose, efficient and effective as possible while living within the funding available, i.e. through investment in digital capability, the roll out of Enabling Policing for the Future (EPF) and the wider roll-out of the Strategic Efficiency Redesign and Reinvestment Review (SERR).

Significant and urgent service re-design programmes are all in progress, focusing on modernising contact and engagement with communities, delivering effective local policing, public protection, policing in a digital world, and protecting vulnerable people (including our response to mental health demands and needs). All of these programmes seek to address the changing and growing needs of communities, alongside introducing the necessary reforms to enhance efficiencies as potentially resources and the workforce continue to reduce in future years. Without adequate transitional investment, these programmes cannot progress at the required pace, and could lead to further impacts on services within communities.

Similar to capital, transformational requirements are significantly higher than the £20m funding available each year. As a result of current funding levels, some urgent and necessary transformation activity may have to be slowed, if not stopped in some areas. Capabilities such as Body Worn Video, critical improvements in our Contact, Command and Control platforms, further development of our mobile platforms and Core Operating Solution are all at risk with reduced funding levels alongside the service design and efficiency focused work.

Continued investment and transformation in our fleet and estates workstreams would either be slowed or have to be deprioritised.

Conclusion

Policing in Scotland represents major and successful public sector reform. Funding allocations have resulted in £200m being removed from the annual cost base compared to legacy arrangements while improving service to the public. This has been achieved through meeting the criteria demanded by the Scottish Government's Resource Spending Review.

Responsive, effective, operationally competent policing is a pre-requisite for safety and security; for social cohesion; and for a vibrant and sustainable country.

Policing will continue to drive efficiencies and improvements, including through collaboration with local councils and blue light partners. The pace and scale of further reform depends on funding.

However, with pay accounting for 85% of police spending, further significant savings can only be realised through reducing the size of our workforce, which in turn will result in further reductions in our operational service delivery to Scotland's communities.

Scottish Fire and Rescue Service

1. EXECUTIVE SUMMARY

The Criminal Justice Committee of the Scottish Parliament has asked for information regarding the impact of the Resource Spending Review (RSR) on services within the Justice and Veterans Portfolio including the Scottish Fire and Rescue Service (SFRS).

Our ambition, as set out in our Strategic Plan 2022-25, is to modernise our Service by doing more for our communities and changing how we work to address the changing risks our communities face.

We also have to modernise to address the significant challenges we face in terms of replacing our ageing buildings and fleet of vehicles while reducing our carbon consumption (Sections 4 and 5).

But to achieve the modernisation we aspire to requires investment. We want to invest in developing the role our firefighters play in Scotland and we need to invest in training, innovation and technology to improve firefighter and public safety.

While there is the potential to achieve some limited efficiencies within the Service, we have to recognise that we are an extremely lean service which has already undergone significant reform to achieve savings (Section 2).

We recognise the current funding challenges across the public sector in Scotland, however the predicted flat cash settlement for the following three years and continued increase in running costs (Section 3) means that we cannot generate the level of savings required without impacting on the Service we provide.

We have introduced a series of changes within this financial year (Section 3) which our modelling shows will have the least impact on the emergency response we provide or the risk communities face but in doing so we have also had to reprioritise investment in other areas (Section 7).

Undoubtedly, with investment, we could do much more for our communities and support our public services partners in improving broader outcomes.

SFRS is currently providing a safe and effective service to the people of Scotland. But, if we are required to make further changes to address the budget gap - and without investment in the areas that would help us to deliver benefits across the communities we serve - then we will have to introduce changes which will impact negatively on community safety.

2. Background

2.1 *Impact of Reform*

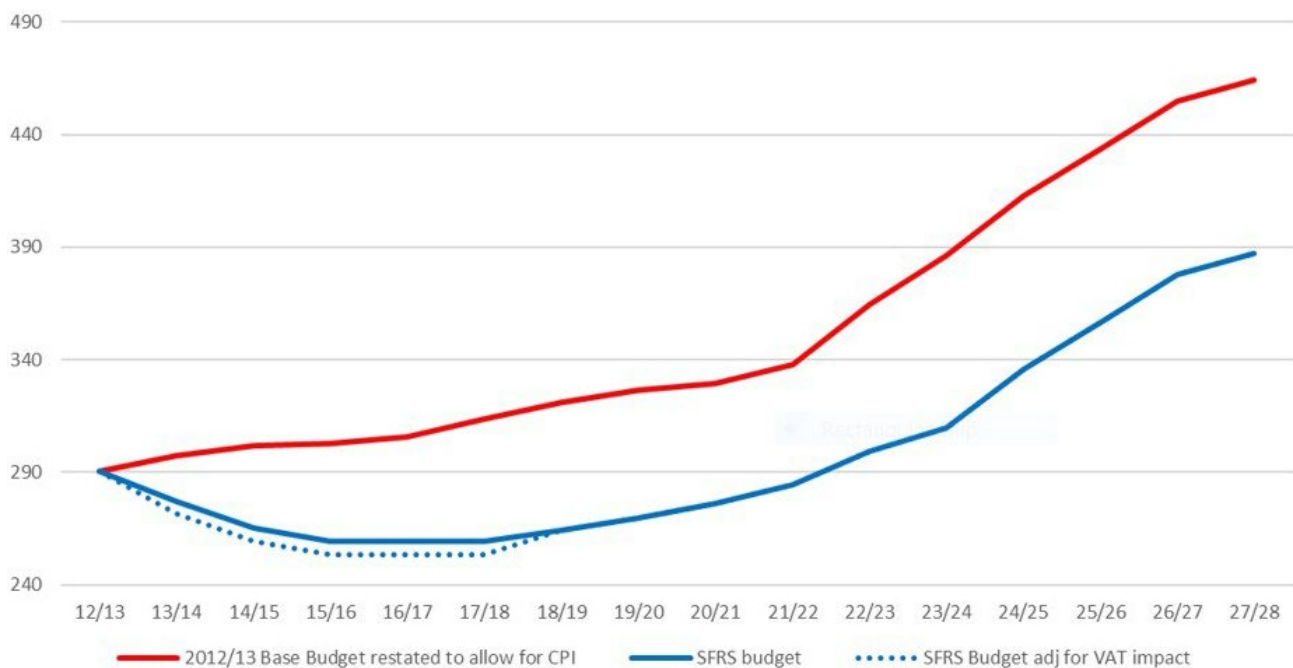
The Scottish Government's (SG) Reform of the Fire and Rescue Service in Scotland Outline Business Case, September 2011 (OBC) was clear that a single national fire and Rescue Service for Scotland would deliver the highest levels of savings in comparison to the pre-reform services. It was estimated in the OBC that this would generate efficiency

CJ/S6/23/21/2

savings of £293m over 15 years. This was not based on what the actual structure and cost base of a single national service would be, as that was unknown at the time, but represented the best estimate of savings arising from Reform. We are, in fact, on track to exceed the efficiency savings that were anticipated in 2011.

As part of reform, SFRS was asked to achieve £328 million in cumulative savings by 2027/28. As at the end of 2022/23, SFRS has delivered £486 million with a further estimated £36.5million in additional savings required by 2026/27 to meet the Resource Spending Review. The graph below shows the reform savings based on a baseline budget in 2012/13 and applying Consumer Price Index (CPI) to compare against actual SFRS budget. SFRS was unable to recover VAT until 2018/19 which was a disbenefit from reform.

SFRS Reform Savings



Graph 1: SFRS Reform Savings

Our forecasted position, as a consequence of reform, is cumulative gross savings of £871 million by 2027/28.

To achieve efficiencies, we reduced the headcount of support staff through a voluntary severance programme and vacancy management; disposed of assets through our Strategic Intent programme; removed duplication and standardised terms of employment and staff grading. We also consolidated and standardised ICT, operational equipment, fleet, business processes and procedures. In terms of operational services, we developed a Target Operating Model (TOM) for a single national service which enabled a reduction in some areas of duplication and the standardisation of our duty patterns, specialist rescue provisions, off station structure and appliance crewing arrangements.

Our success in achieving savings has not been without challenge. We have seen a reduction in headcount from the pre-reform position, in particular a reduction of 661 Whole Time operational posts and a significant reduction in executive and senior management.

2.2 *Summary of 2022/23 submission*

The Interim Chief Officer, Interim Deputy Chief Officer and Acting Director of Finance and Procurement of the SFRS appeared before the Committee on 26 October 2022. Below is a summary of the key points from last year.

- In managing the financial consequences posed by the RSR, the Service adopted a two-stage approach. We sought tactical and proportional savings across the whole organisation in 23/24, followed by more strategic change and savings options from 24/25 onwards.
- We were clear that the challenges in achieving our required savings would mean very hard choices having to be made by the Service.
- To reconcile the anticipated budget gap, and as 80% of our budget is spent on staff and of that figure 80% is spent on operational staff costs, we needed to explore opportunities to reduce the staff cost base. Whilst adhering to our commitment to no compulsory redundancies, this would inevitably lead to a reduction in staffing, including firefighter numbers, which would be achieved through retirements and vacancy management.
- In such circumstances, we would be unable to maintain the wholetime firefighter TOM as we moved to meet short term financial targets. This would create challenges in managing appliance availability across Scotland and would reduce appliance availability within communities affected.
- Any changes in our operational response model would be undertaken on a risk-based approach using robust, externally assured data and evidence to minimise impacts upon community and firefighter safety through use of our Community Risk Index Model (CRIM).
- Planned modernisation of the Service that required upfront investment would have to be delayed and reprioritised, which would impact our ability to meet our Long-Term Vision (LTV) ambitions and meaning new investment in some areas would be reduced.
- We would need to review stations and resources which may lead to fire appliance removals and possibly some station closures. This could also mean there would be fewer local community resources dedicated to prevention work and wider community resilience activities.
- We were actively seeking further collaboration with Police Scotland, the Scottish Ambulance Service and others to explore how we can collectively make savings.
- In making savings we would always do so in a manner that minimises impact upon community safety.
- However, any retrenchment in our services to our communities may nevertheless ultimately have an impact on those same communities.

3. **Current Financial Pressures**

3.1 *Pay and Inflation*

At the beginning of this year, we faced the prospect of Industrial Action (IA) from firefighters over pay. In March 2023 through the National Joint Council (NJC) a national pay agreement was reached with the Fire Brigades Union (FBU). The offer for all firefighters was a 7% increase in pay and Continuous Professional Development (CPD) for 2022/23, effective from 1 July 2022 and a further 5% increase in pay and CPD, effective from 1 July 2023. This settlement increased the annual operational staff budgeted pay bill

CJ/S6/23/21/2

by £21.9m over the two years. A further £2.5m will be required in 2024/25 as firefighter pay is calculated on a July-to-July basis.

For support staff a one-year pay settlement covering the period from 1 April 2023 to 31 March 2024 was agreed. This comprised a fixed increase of £1,500 for support staff earning below £25,000 (based on full-time equivalent) which equated to an increase of between 6.5 % and 7.97% for affected staff, a 5% increase for support staff earning above £25,000 (based on full-time equivalent) and a 5% increase in the standby allowance to £25.15 per day from 1 April 2023. We also moved all support staff on the first incremental pay point to the second incremental pay point. These developments increased the support staff pay bill by £2.1m.

SG were able to offer additional financial support to the Service of £14.4million in 2023/24 to help meet the cost of the firefighter pay award. SG previously provided one off funding of £3.3m in 2022/23 and permitted SFRS to incur a planned overspend in 2022/23 up to £2.9m to cover the pay offer.

In the same period, our non-pay related costs for goods and services was £62.2m. This is 20% of all SFRS costs and is subject to inflationary pressures calculated using the CPI which is built into existing contract terms. Headline inflation last year was at 10.1% and these cost increases were passed on to existing contracts. To manage these increases we have spent less on smoke detectors as part of our prevention activities, less on learning and development, and less on property maintenance for our stations. Our electricity and fuel costs were well above inflation rates with increases in budget of £1.9m (59%) for electricity and £0.98m (46%) for fuel. Whilst the inflation rate is now reducing the current 6.89% level will add approximately £4million to the cost of services for next year.

3.2 SFRS 2023/24 Savings Plan

To balance our budget for 2023/24 the SFRS Board approved an initial savings plan across the whole organisation.

Area of Saving / Efficiency	£000
Wholetime	1,190
On Call	1,624
Support	1,875
Employee Other	1,304
Sub Total Employee Costs	5,993
Property Costs	1,223
Supplies & Services	2,356
Transport Costs	647
Third Party Payments / Council Charges	215
Financing	303
Income	320
Total	11,057

Table 1: Area of Saving / Efficiency Totals

While developing these options for 2023/24, the Service was faced with the prospect of IA being taken by the FBU over pay. While this was eventually avoided through an agreed national pay settlement, we could not conclude our financial planning for the year until we knew the outcome of the pay negotiations.

The time pressures we faced were incredibly challenging and highlight a key issue we face: that is the need to plan our budget annually rather than taking a more strategic budget planning approach over a three or four-year period. The short-term savings options we identified are set out below and more detail can be found in our Operational Changes Information Pack.

The CRIM provided us with a detailed understanding of how community risk is changing in Scotland and enabled us to build an evidence-based approach to identify where change to SFRS resources (people and assets) across our station network could be made.

Based on our evidence-led modelling, and to assist in the amelioration of our budget pressures during 2023, we have temporarily removed 10 second or third appliances from multi pump stations that will have the least impact on community safety across Scotland.

Aligned to this we have implemented changes identified in our Operational Strategy to our high reach appliances, placing them in the most strategic locations where they can provide more optimised and effective community safety on a national basis. We have also amended the crewing for water rescue at Polmadie Community Fire Station so that it is more in line with all other water rescue stations throughout Scotland.

From 1 July 2023, we introduced a change to how we respond to Automatic Fire Alarms as part of the modernisation of our Unwanted Fire Alarm Signals (UFAS) policy. Initial analysis is showing that we are attending 55-60 fewer false alarms per day – more than a 50% reduction. As well as creating additional capacity within the Service, this also reduces the number of journeys our crews make under blue light conditions, improving road safety and reducing our carbon output.

3.3. 2024 and beyond

The RSR set out an indicative flat cash budget position for the Service until 2026/27 and we initially estimated total savings of £36.5m would be required of the Service.

The SFRS budget is set on an annual basis by SG and we are legally required to deliver a balanced budget each financial year. The SFRS Board approved an annual resource budget for 2023/24 of £308.133million for resource and £34million for our capital which reflected core capital funding of £32.5million and the potential of an additional £1.5million ring fenced funding for net zero projects.

As detailed at 3.2 above, to achieve a balanced position for 2023/24 £11million of savings were identified and included in the budget for this year. These savings will be delivered through our Strategic Service Review Programme (SSRP) covering all elements of our service provision.

As outlined above, some temporary changes have been made this year in respect of second and third appliances which are based at our multi-pump stations.

If changes of this scale were to be made permanent following stakeholder consultation, the TOM for wholetime firefighters could be reduced by 166 posts. Such a reduction would lead to annual savings of up to £9.8million. However, as our figures show below this is well below the predicted level of savings we require to make based on current financial modelling.

Our central planning scenario suggests that next year (2024/25) we will require resource budget savings of between £14.1million to £26.5million on top of the £11million savings for 2023/24. Over the four-year RSR period cumulative savings of between £37million and £48.4million will be required but this will vary in line with pay and inflation pressures.

Financial Scenarios	Savings 2024/25 £M's (No change to TOM)	Savings 2024/25 £M's (Reduce TOM by 166)
Upper	£36.0	£23.3
Central	£26.5	£14.1
Lower	£23.4	£11.1

4. The SFRS Estate

Our estate is largely not fit for purpose and the problem is getting worse. Our assets are worth around £0.5 billion comprising land and buildings, including 357 fire stations, 1,620 fleet vehicles and tens of thousands of items of operational equipment.

The SFRS Property and Fleet estate has an insurmountable backlog in capital spend requirements and needs critical investment to ensure that we have the right stations, training facilities and vehicles fit for the 21st century to support evolving community risk including the impacts of climate change.

Our core capital funding has remained at £32.5million for the last seven years. As a minimum we need at least £60million per annum in investment in our assets. The lack of increased funding and reduction in real terms not only impacts our ability to modernise our assets but increases the pressure on our resource budget as more reactive maintenance is required to fix problems in our ageing estate. Our required budget for maintenance is £15million and the Service has only been able to allocate £10million per annum, thereby adding £5 million to the maintenance backlog which has an adverse effect on the planned to reactive maintenance ratio.

Ensuring we have the right resources at the right location is key for both our response and prevention activities. We also need modern training facilities to support training for new and emerging risks. To help address the challenges of our investment needs against a limited capital programme, the SFRS Board approved a Risk Based Approach to investment. The latest report highlights that 44.7% of the operational property estate is in poor or bad condition, and in terms of suitability 75.5% of the operational estate is classed as poor or bad. Around 61% of our buildings are over 30 years old. While priority is given to the most urgent needs, our

current capital funding means it will take years to resolve urgent problems while the condition and suitability of our estate continues to deteriorate.

We are committed to prioritising investment in those stations affected by Reinforced Autoclaved Aerated Concrete, (RAAC) roof panel problems. This form of construction was common in the 1960s through to the 1980s and now brings a risk of roof collapse as the concrete ages. We have 14 stations which have RAAC roofs, and they are key stations within our network. Since becoming aware of the issue in 2019, we have taken remedial actions to protect firefighters in those stations but without permanent improvements or rebuilds neither we nor our partners, who share many of those facilities with us, or the communities who also make use of our buildings will be able to do so safely in the future.

At the same time, we recognise the growing evidence of the health risks associated with exposure to a range of contaminants for firefighters. We have established an Executive-led, cross-Service working group to manage this issue and we will continue to work closely with the Fire Brigades Union (FBU) as we do so. This issue is of vital importance to us and to the safety of firefighters. But we need to invest in - and modernise - our estate. In simple terms we need to establish in our stations 'clean' and 'dirty' work zones and deploy new technology and working practices in managing potential exposure to contaminants to protect the health of firefighters.

4.1 Modernising the Estate

The SFRS has, rightly, set out its ambition to be both an employer of choice and one that reflects more closely the make-up of our communities. To help attract a more diverse set of people to join the Service we need to have modern facilities. However, over 100 stations have minimum toilet facilities and no dedicated drying area, no rest or canteen area. Over 120 stations are without a dedicated locker room and over 150 have insufficient showering facilities. Most concerning of all 282 stations lack proper dignified facilities and none of our stations are properly designed to manage contaminant issues. In the short term we simply do not have the budget to address these issues.

To help in our efforts to improve the property estate, including controlling the spread of contaminants and providing dignified facilities, we are exploring innovative design options based on modern methods of construction using modular building technology. This is essentially a building that can be prefabricated offsite, and provides a modern, carbon neutral, contaminant safe and low-cost community fire station. This is particularly appropriate for rural and island stations. The design concept is such that if other community services require space or accommodation, additional modules can be added to the initial fire station at low cost. Building these new stations will require investment and in conjunction with the Scottish Futures Trust and our partners, we are producing a business case to seek additional investment for this project.

Based on community risk assessments and following full public consultation, there is the potential to move, merge or close some stations across a locality. The income this could potentially generate, if we are allowed to retain the capital receipts, would be reinvested into our plans to modernise our estate and wider Service. However, this is not a quick solution and we already know that would not be sufficient to fully address our capital backlog.

To ensure that we get maximum public value from our estate, we also share our buildings with other public service partners and communities. To date we have 65 stations being shared with the Scottish Ambulance Service, Police Scotland and others. We want to continue to expand on this and make our stations public service hubs that are fit for that purpose. We also regularly share our training sites with partners either for their own use, when our premises are more suitable than their own, or for multi-agency exercising.

We know that many other public services face similar investment needs. We believe that investment in our plans would also help meet those wider demands too. The nature of our Service is such that we need to retain a physical presence across Scotland to respond quickly to communities when the need arises. As part of the modernisation of our estate, we would also look to share those assets with our partners; enabling them to work in partnership with us and others while retaining their presence in the same communities. We want our community fire stations to become full community resilience hubs hosting a range of public and other services. By investing in this community asset concept, we believe that it makes economic sense and will provide better value for money to Scotland. But even more importantly, this would support the building of community resilience and provide a base for a wider array of public services to remain within local communities, helping to improve wellbeing.

In that sense a modernised fire service would become a true community anchor for wider public service reform.

5. The Impact of Climate Change

The need to respond to the climate emergency is a key priority for SFRS and our Service Delivery model needs to adapt to this. Scotland is likely to see more wildfire and flooding incidents in both rural and urban areas because of climate change. In much of Scotland, we are likely to see prolonged periods of heightened risk of wildfires as the effects of the climate emergency materialise.

As part of the SFRS Wildfire Strategy, we have provided additional vehicles, equipment, training and Personal Protective Equipment (PPE) in a risk based and tiered model across Scotland. This enhances the existing model for dealing with this challenging incident type and has incorporated the latest thinking and developments in this field. The wildfire specific PPE that has been provided as part of this strategy is currently deployed to the 25 strategically situated stations identified in the tiered approach, however providing this PPE to all personnel if budgets allow will be an ongoing consideration.

In those periods of prolonged wildfire risk, we will also have to explore the implications of fighting such fires while being largely dependent upon On Call firefighters across large parts of the country. Extended periods fighting wildfires will have implications for them in their primary employment. Therefore, the modernisation of the On Call Service which we initiated in recent years will have to be sustained and will require further investment.

We will also see more extreme rainfall patterns across Scotland with heightened risks of flooding in many cities, towns and villages. In working with our partners, we

will need to identify which critical national infrastructure sites, public services, high risk commercial premises and households are most vulnerable to the impacts of flooding. When these events occur, we need to be able to swiftly respond to protect those communities and households over prolonged periods and likely with multiple events occurring concurrently. As with wildfires we need to ensure our firefighters are appropriately trained and equipped to support people during these emergencies. The challenge of the climate emergency is real, is materialising now, and requires us to continue investing in our Service Delivery model to ensure that we can respond appropriately.

We also have to play our part in reducing our energy use and other carbon emitting activities across our estate and our fleet. Investment in our aging estate is key to reducing our energy consumption and the Service requires significant ongoing investment to have a realistic chance of meeting the Scottish Government's net zero targets. In 2020 we set out [our plans in our Climate Change Response Plan 2045](#), which is supported by our [Energy and Carbon Strategy](#). In support of our actions, SG have made additional ring-fenced funding available to us and other public services to help meet our energy and carbon reduction commitments. But the size and scale of investment required to meet our targets is significant. Our Carbon Management Plan 2020-25 estimated a need for £48 million to decarbonise our activities over the five-year period, however due to inflation this figure is expected to be closer to £60 million. To date we have invested £11.5 million. New technology will play a part in helping us to further reduce our energy consumption in our estate but as highlighted above our estate is old and difficult to bring up to modern environmental standards.

We have made significant progress in decarbonising our light fleet by introducing electric powered vehicles and to support that we are building a joint charging network with our Blue Light partners. However, due to the nature of our heavy fleet, which accounts for over one third of our total carbon footprint, we are severely restricted in our options to reduce these emissions. New technology to replace our reliance on diesel-fuelled vehicles is progressing but it is slow to develop in the wider market, presents significant operational challenges, and is expensive to acquire. As a result, our estate will have to be net zero by 2030 in order to meet SG's 2030 target of a 75% reduction of emissions against our baseline.

6. Service Delivery Changes

If we cannot change our operating model, we will find it progressively more difficult to make our saving requirements and adapt to the changing risks across our communities. Furthermore, failure to change will compromise our ability to identify reinvestment from within the Service. Modernising our Service Delivery model in conjunction with our assets is the key to both the financial and operational sustainability of the Service.

Our work to better understand changing community risk in Scotland and what that might mean for our Service Delivery model and station footprint predates the RSR pressures. The Service needs to adapt and modernise to meet the changing needs and risks of our communities.

For the last few years, we have been building our knowledge of changing community risk across the country and developing plans for our Service Delivery model. By using the CRIM, we will explore not just where we need to locate stations and

resources but how we crew our appliances and operate from our stations; this applies to both Wholetime and On Call services.

We will explore options around changes to crewing models that might result in proposals to move from a single crewing model for the whole of Scotland to models that are appropriate to the level of the risk facing local communities. There are potential options to change the number of and crewing arrangements for appliances in some stations. We will also explore options for where we place specialist equipment and skills in our stations to ensure they provide maximum value to the communities who need them most.

We remain committed to working in partnership with representative bodies to develop the role of the firefighter in Scotland to encompass wider life-threatening emergency responses and contribute further to preventing risk and harm.

To achieve this, we need to renegotiate the employment contract and role map of firefighters with their representative bodies. We will further need to invest in training and equipment to support our firefighters to take on new roles. But we are clear that the benefits to the people of Scotland in us doing so would be significant and the potential financial savings across the wider public service system would also be significant.

To sustain our service delivery model, the Service will continue to use the CRIM to identify where we can deliver change, safely, across our three Service Delivery Areas (SDAs) in the North, West and East of Scotland. We know delivering change, even with a strong risk assessed evidence base will be challenging, complex and time consuming. While there are some areas where reductions can be safely made there are other areas which we know require investment to enhance the current levels of provision.

Due to our existing structure, which has already been streamlined through reform, the only real option we have is to reduce firefighter numbers.

To achieve our anticipated savings of £14.1m next year we would need to reduce our firefighter posts by 339 – the equivalent of an additional 18 second appliances.

If we only pursue those areas where reductions can be made, we believe we will compromise the safety of Scotland's communities to a level which we cannot in good conscience support.

7. Impact of financial challenges

7.1 Impact on planned initiatives

We are committed to using our full organisational capacity and capability to modernise our Service. However, within the existing resource and capital envelope available to us we need to make hard choices in how we prioritise our budgets. With more investment we can achieve significantly more, but as it stands, we have had to prioritise developments while balancing our budget. The key reprioritisation steps we have taken to date are set out below.

The modernisation of our business systems is a priority for the Service to enable us to work better and in more efficient ways. We need to invest in core business support systems such as our People, Payroll, Finance, Training (PPFT) systems. We initiated a major project intended to modernise our PPFT systems and redesign how our support functions operate. This work has had to be delayed in part through cost estimates to replace our aging systems. Consequently, we have scaled back the scope of the programme and are seeking collaboration opportunities with other partners to see if we can secure improvements in how we work while reducing our operating cost base.

Our Corporate Support Services accounts for around 6% of expenditure and provide critical support to Operational Service Delivery. We are however seeking to improve how our support services work by streamlining processes, reducing duplication, automating where we can and through that seek to generate savings. We are exploring these issues jointly with Police Scotland, and where appropriate other public services, with an intention of building collaborative solutions that add further value to the internal improvement work that we are undertaking.

As detailed above in recent years we have sought to reach agreement with the FBU about developing the role of firefighters to take on wider prevention and emergency response, including medical response and to reflect that in both the firefighter employment contract and their pay. Given the financial constraints we are faced with this potential development has been delayed. Without funding to support agreed changes in firefighters' terms and conditions of employment we cannot bring this about. An Outline Business Case setting out this development in more detail, including the costs and benefits of the proposal, was submitted to SG with the backing of the FBU, but has not been progressed.

We remain committed to reducing our carbon footprint but investment in decarbonisation of our activities and building a blue light electric vehicle infrastructure is not progressing at the rate we would like. Due to the wider operational pressures we are facing, and the need to invest our limited budgets in other areas, we are simply not investing enough to reach net zero. We have not met our targets on the five-year climate change response plan due to lack of investment. We are faced with the eternal conundrum of meeting today's priorities at the expense of the longer term. Ideally, we wish to do both.

To help meet our budgetary pressures we are slowing down investment in our Fleet replacement. We have 1620 vehicles within our fleet and of that 577 are older than their planned replacement age. This means 29% of our light fleet, 39% of our heavy fleet and 56% of our specialist vehicles are older than planned. To free up limited capital investment, we are now slowing down our replacement programmes which, in the years to come, will lead to maintenance and other costs increasing within the Service.

As we noted above the SFRS estate is large, ageing and deteriorating. Our minor repairs programme has been slowed down to enable us to use our limited resources to meet our most significant pressures. This impacts on staff perceptions of the Service and on morale as minor repairs to things like windows are put off. These 'hygiene' factors in the estate are important but we simply need to sacrifice them to pay more focussed attention on the more pressing concerns we have. As noted above we have prioritised stations with RAAC panel roof issues but on current levels

of funding it will take over 10 years to deal with this problem, during which time the 14 sites remain subject to an ongoing quarterly inspection regime at a cost of £100,000 per annum to monitor condition, whilst the risk of further deterioration increases significantly. This results in limited opportunities for the Service to invest in other much needed replacements and refurbishments across our property portfolio.

7.2. *SFRS Contingency Savings Options*

The SFRS operates on an annualised budget and as an Other Significant Public Body we cannot hold reserves and any borrowing we incur counts against SG's borrowing and therefore requires SG authorisation. These restrictive financial management arrangements mean contingency planning is incredibly difficult to achieve. It also means our ability to plan changes and reinvest in the Service to generate savings over several financial years is compromised. The need to function on an annualised basis means our savings currently must be planned and delivered in year and consequently long-term planning becomes very challenging.

This is why we have made changes to our operating model in 2023/24 to help balance the budget for the year without unduly increasing community risk. That approach is not viable in perpetuity. As we have set out above, we believe that through modernisation, supported by an ability for us to reinvest internally generated savings and with modest additional investment, we can do more to protect and enhance community safety and wellbeing. We firmly believe that this is the route to a more sustainable Service that will continue to meet the challenges generated by changes in community risk across Scotland. If we must keep making in-year savings we anticipate that community safety will be compromised.

The only real contingency plan open to us is the modernisation of the Service or we will, by force of circumstance, end up in a scenario whereby we are retrenching our Service provision across Scotland. That would bring additional risks to community safety, and it is not a road that we wish to go down.

8. **Conclusion**

In realising savings, we have placed maintaining community and firefighter safety at the heart of our decision making. However, the more we need to find in-year savings and the longer the period over which we will have to make those savings, the more difficult it becomes to maintain that commitment.

The immediate in year savings to ensure we can balance our 2023/24 budget have generated considerable public, political and stakeholder debate and subsequent pressure on the Service to reconsider our actions. In the communities directly impacted by the temporary removal of appliances, the alterations to our high reach provision and the amendments to the water rescue crewing model in Polmadie in Glasgow, stakeholders have made their concerns known to the Service.

Following our announcement of the operational changes for 2023/24 we have undertaken more than 100 engagements with local elected members across affected areas and received in excess of 60 media and Freedom of Information enquiries. We were also asked by three Local Authority scrutiny committees to meet with the full council in their area to explain the changes we were implementing. As part of our

engagement approach, we published details of how we had arrived at these operational changes and met with those councils who requested that of us.

The level of concern generated illustrates the high value that communities and other stakeholders place in the services provided by SFRS. This therefore makes change as part of a savings programme very complex and challenging whilst also ensuring we can deliver balanced budgets on an annual basis.

Despite these challenges, we remain committed to modernising our Service because it is the right thing to do to meet the changing needs of communities across the country. But we do not underestimate the challenge. Unless we can plan and implement Service modernisation over time, our ability to reach a sustainable financial model that provides the platform for our Service Delivery model to meet the changing risks across communities will be compromised. And, without investment it is our firm belief that the changes we will be forced to implement, may ultimately come at the cost of public safety.

Crown Office and Procurator Fiscal Service

Thank you for inviting the Crown Office and Procurator Fiscal Service (COPFS) to provide evidence to the Criminal Justice Committee's pre-budget scrutiny of the Scottish Budget for 2024-25.

COPFS' budget allocation for 2024-25 will be confirmed later this year in line with the Scottish Government 2024-25 Budget process. We continue to engage with Scottish Government to plan and confirm our resource allocations for 2024-25 and indicative budget planning for subsequent years.

COPFS is a demand led organisation with responsibility to meet state obligations to deliver justice, uphold the rule of law, prosecute crime, investigate sudden or unexplained deaths, recover proceeds of crime and investigate complaints against the Police. Our work helps to ensure that Scotland is safe from crime, disorder and danger.

COPFS operates in a complex and changing criminal justice system. The volume and complexity of our casework has changed over recent years and continues to grow. Scottish Government appreciate that COPFS is a demand-led organisation. Over the last year or so it was recognised as being essential to provide COPFS with additional funding to enable it to meet reasonable public expectations brought by increasing serious and complex caseloads, the planned recovery from the Covid case backlog and to investigate Covid deaths. Funding was also provided to bring COPFS pay into line with equivalent Scottish Government Main roles for the first time in almost two decades as part of a pay parity agreement with Scottish Government and trade unions.

COPFS welcomes the support of Scottish Ministers in delivering the improvements and service outcomes which this targeted funding has facilitated.

Clearly the pandemic will have an additional impact for many years with work ongoing to tackle case backlog and investigate Covid deaths. There are other continuing and significant new caseload pressures, including relating to sexual offences, significant increases in deaths requiring investigation, implementing new or changing legislation and health and safety death investigations. Cases relating to human trafficking also brings new casework and resource demand and expectations, work which involves close working with justice partners and system-wide delivery.

This demand-led caseload requires the allocation of essential and skilled staff resources to enable COPFS to meet state obligations to deliver justice and reasonable public expectations in the prosecution of crime, investigation of deaths and the needs of victims and witnesses.

COPFS understands the pressures on public sector funding and for the need for efficiency and continuous improvement to deliver improved outcomes with less. COPFS is therefore committed to supporting and working with justice partners to deliver judicial reform. COPFS is also developing a three to five year delivery plan that will detail how the service will reduce its current levels of staff and resource needs as the pandemic recovery work is completed and to reflect reform and transformation efficiencies to help secure a sustainable financial model for the years ahead.

In the context of the above delivery and ongoing budget planning circumstances, I have taken the opportunity to set out to the Committee the following:

- The context of COPFS' demand led casework and the continuing challenges and pressures we face to meet state obligations to deliver justice;
- COPFS' budget position for 2023-24 and ongoing discussions with Scottish Government to keep cost pressures under close review as we work towards a path to budget balance for this financial year;
- Outlining the key budget planning principles and essential funding requirements underpinning COPFS' ongoing discussions Scottish Government for resources for 2024-25;
- Outlining reform, transformation and business model plans for the years ahead.

COPFS Statutory Obligations and Casework Demands

COPFS operates in a complex and changing criminal justice system with the volume and complexity of our casework changing and continuing to grow. Work will continue over coming years to tackle case backlog as a consequence of the pandemic. Sexual offences, increased death investigations, implementing new legislation and health and safety investigations present further complexity and increased casework demands.

Violence against Women and Children, Sexual Crime and Domestic Abuse

The investigation and prosecution of violence against women and children, sexual crime and domestic abuse will continue to form the bulk of our casework for some years to come. Sexual crime makes up almost 65% of High Court casework in Scotland, involving our most serious criminal cases, and is a significant proportion of cases prosecuted on indictment in the Sheriff Court. The number of charges reported to COPFS with a domestic abuse identifier increased by 7% between 2019/20 and 2021/22.

This work is challenging and complex, requiring longer investigations and management and presentation of cases in court, underpinned by a critical focus in supporting victims and witnesses as part of our trauma informed service delivery approach. It involves specialist case preparation, requiring significant resource and high levels of advocacy skills to enable detailed investigation and appropriate case support and preparation to deliver a service that meets the needs of every victim and which minimises trauma for victims and witnesses, all within challenging statutory time bar limits. The gathering and analysis of evidence is more complicated and time-consuming, routinely involving social media and digital communications. Evidence from expert witnesses to interpret technical, scientific and medical issues is increasingly involved.

The environment in which such cases are investigated and prosecuted continues to develop. The implementation of Lady Dorrian's Review of the Management of Sexual Offences through the Victims, Witnesses and Justice Reform (Scotland) Bill involves significant reform and changes to casework practices. This work is supported by an ongoing internal COPFS review of the investigation and prosecution of sexual offending which will conclude in November 2023. The Lord Advocate has also instructed a review of diversion from prosecution in serious sexual offence cases. In

addition, the Appeal Court in Scotland is considering the scope of the law of evidence in sexual offences in the Lord Advocate’s Reference No.1 of 2023 and this has the potential to increase significantly the scope of cases which can be prosecuted, widening it beyond those which currently meet the existing evidential standards to include many more cases which cannot, at the moment, be prosecuted.

Appropriate resource is essential to meet all of these challenges and to implement improvement recommendations, which will include comprehensive training and implementing changes to the way cases are investigated, managed and presented in court and make further improvements to supporting the needs of victims and witnesses. We will further engage with the Scottish Government as the resource implications for implementing review outcomes and changes in the law becomes clearer later this financial year.

Death Investigations

The Lord Advocate has an obligation to investigate reported deaths, including more than 6,000 Covid reported deaths. COPFS’ investigation of deaths timeously and appropriately has a crucial role in the prevention of future deaths.

The impact of the pandemic brought significant challenges and changed aspects of our casework, including our investigation of deaths. Death reports have increased significantly over recent years.

Deaths reported to COPFS from 2019/20 to 2022/23:

Reporting Year	Reported Deaths
2019/20	10,896
2020/21	15,712
2021/22	15,312
2022/23	14,149

During 2020-21, which was the first reporting year period of the pandemic, there was a 44% increase on pre-pandemic death reports compared to 2019/20. The number of deaths requiring investigation remain high in the post-pandemic period, evidenced by a 30% increase in the latest 2022/23 annual figures compared to pre-pandemic levels. COPFS is also facing additional pressures to investigate deaths relating to health and safety incidents.

The investigation of sudden or suspicious deaths has become increasingly complex, requiring dedicated teams of skilled staff to be established for the most complex cases. COPFS’ Scottish Fatalities Investigation Unit (SFIU), Health and Safety Investigation Unit (HSIU), Custody Deaths Unit (CDU) and the Covid Deaths Investigation Team (CDIT) are the specialist casework units with responsibility where a death requires further investigation. Skilled, experienced and dedicated resource is essential for carrying out this important statutory obligation effectively, timeously and in a trauma informed manner.

Our state obligations to investigate significant increases of reported deaths places real and additional pressures on COPFS’ available resources and capacity to deliver. It is not sustainable for COPFS to meet state obligations to investigate deaths at the

continued high levels without the provision of additional targeted resource. COPFS will therefore engage further with Scottish Government on the minimum resources needed to meet these statutory obligations.

COPFS is also driving improvements to the system of death investigations, which includes the establishment of a Death Investigation Improvement Programme to improve death investigations and, importantly, improve the service delivered to bereaved relatives. The programme focusses on three key service improvement elements: Public Confidence; Bereaved Relatives; and Efficiency (by reducing the time for concluding death investigations).

There has also been a significant increase in postmortem examinations instructed by COPFS over the last few years:

Post Mortems instructed by COPFS				
	1 Doctor	2 Doctor	View &	Total
Year	Post Mortem ¹	Post Mortem ¹	Grant	
2019/20	3,717	1,564	364	5,645
2020/21	5,633	322	680	6,635
2021/22	5,924	234	934	7,092
2022/23	6,039	222	784	7,045

¹ Non-suspicious drug deaths performed as single doctor post mortems from 2020/21 (previously all drug related death post mortems involved two doctors)

The rise in post mortems instructed by COPFS may be pandemic impact related in that GPs are unable to issue death certificates in situations when they otherwise would have done, possibly due to GPs not having physically seen the deceased for a period of time due to reduced face to face appointments or other related circumstances. The costs relating to increased post mortems are currently unfunded.

COVID-19 Pandemic

The impact of the Covid-19 pandemic and associated restrictions, including court closures, resulted in significant backlogs of cases across the criminal justice system. COPFS, along with justice partners, made a five-year commitment to address trial backlogs caused by the effects of the pandemic. Scottish Government is committed to funding COPFS (and other justice partners) until 2026/27. In the current 2023/24 financial year, COPFS is allocated a share of additional criminal justice system funding to tackle the case backlog and staff additional courts. This funding supports this work without affecting COPFS' baseline operational and service delivery activity. COPFS did not, however, receive additional funding for the current financial year to resource two additional High Courts to reduce pandemic backlog of the most serious cases, therefore requiring COPFS to attempt to meet these costs (£0.75m) from its budget allocation for 2023/24.

The additional resource funding provided by Scottish Government to justice partners is enabling significant progress to be made by resourcing additional courts and clearing casework, demonstrating delivery of desired outcomes via the provision of targeted resource, including reductions over the course of 2023 in the number of cases awaiting marking from 19,000 to 9,510 and outstanding Sheriff Court summary trials reduced from 30,000 to 20,000 over 2022-23. The efforts to reduce case backlog are further supported by COPFS - collaborating with criminal justice partners - to reform casework processes and ways of working at system level to deliver improved service outcomes.

Covid Death Investigations

The Scottish Government provided COPFS with additional funding (full year equivalent £4.4m) to establish a dedicated Covid Deaths Investigation Team (CDIT) to carry out the necessary investigation of Covid deaths timeously and to engage with and support bereaved relatives appropriately. Over 6,000 Covid-19 deaths have been reported to COPFS for investigation, with a dedicated team of skilled staff recruited or re-assigned to carry out the necessary investigations. Current focus involves detailed examination of care home deaths, which account for 4,777 Covid deaths. These are complex investigations involving the gathering and review of significant amounts of material and sensitive consideration of the needs of bereaved relatives. COPFS is also supporting and engaging with the Scottish and UK Covid-19 public inquiries.

Evidence by Commissioner

COPFS supports the increased use of Evidence by Commissioner hearings to take evidence from children and vulnerable adult witnesses. We did not, however, receive funding in the current 2023-24 financial year for the additional resources needed for this work. The additional processes involved necessitates the assignment of significant staff resource. To deliver these essential aims, COPFS is attempting to resource £0.95m of unfunded costs from its 2023/24 budget allocation.

We are also committed to making improvements to our services which will benefit and empower women and improve their experience of the justice system, and to ensuring that the needs of children in the justice system - as victims, witnesses, family members or those accused of crime - are fully recognised and met.

New or Changing Legislation

COPFS faces demands and expectations for implementing new or changing legislation, including for the Victims, Witnesses and Justice Reform (Scotland) Bill. The costs for implementing new legislation at this stage remain unfunded and subject to ongoing engagement with Scottish Government on resources and implementation planning.

Fatal Accident Investigations and Health and Safety Investigations

As at July 2023, COPFS had 39 mandatory Fatal Accident Investigation (FAI) hearings scheduled and 29 where COPFS had lodged or intend to lodge an FAI First Notice by 30 September 2023. There has also been an increase in discretionary FAIs, which require substantial investigative resource and time commitment even though the majority do not result in an FAI.

Recent high profile health and safety incidents in 2023 such as the hotel fire in Perth, the death of the Edinburgh firefighter at Jenners and the capsized tug boat in the River Clyde are only some examples of new cases involving complex and lengthy death and criminal investigations by experienced staff who are already committed to existing casework.

Civil Recovery

COPFS' Civil Recovery Unit (CRU) acts on behalf of Scottish Ministers to recover, through the civil courts, assets and monies derived from unlawful conduct. Since its creation in 2003, the CRU has recovered over £20million in cash and assets. The Scottish Government decided that this money should be invested back into communities through the 'Cashback for Communities' scheme. The casework of CRU has also increased in recent years and, with increased resources, would enable faster investigation and prosecution of cases in court or out of court settlements with defence agents to resolve cases, resulting in improved justice and citizen outcomes and increased cash and assets recovery.

The above highlights the continuous and new caseload demands and resource pressures being faced by COPFS to meet state obligations to deliver justice.

COPFS Resources

COPFS Budget for 2023/24

COPFS received a resource budget allocation of £182m for 2023-24. COPFS welcomes the support of Scottish Ministers in providing additional funding, compared to the original Resource Spending Review (RSR) indicative budget envelope, to address essential resource needs, including Covid recovery costs in the criminal justice system, investigation of Covid deaths and addressing the pay parity challenge, which enabled COPFS to match the Scottish Government's 2022/23 pay offer to its own staff and maintain the agreement with Scottish Government and the unions.

Whilst the additional funding is very welcome, the allocation did not provide all minimum essential funding needed for 2023-24. Funding shortfalls impacted on resources for two additional High Courts to reduce the pandemic backlog and establishing an Evidence by Commissioner Unit to support vulnerable victims. The costs for implementing new legislation also remains unfunded for 2023-24, and beyond. COPFS faces other emerging in-year cost pressures, for example, costs relating to increased use of pathology services (additional pressure of £600k) and costs arising from the continuing effect of high inflation on non-staff essential expenditure which adds a budget pressure of £2.6m for the current financial year. Like other portfolios, COPFS' budget pressures are also significantly challenged from attempting to meet anticipated pay award costs from within existing allocations.

COPFS has long had a careful approach to workforce planning and prioritisation and incorporates a continuous annual staff attrition rate to its financial and workforce management planning to operate as efficiently as possible and to reduce budget requests to Scottish Government. COPFS have also implemented additional rigorous cost controls for its non-staff expenditure and additional workforce management controls to ensure it can deliver almost £7m of additional committed efficiencies towards a path to budget balance plan for 2023-24.

The cumulative impact of the remaining unfunded COPFS resource budget pressure for 2023-24 is £9.16m.

COPFS continues to consider all options to make progress in reducing the current levels of budget pressure and is engaging with Scottish Government Ministers and Finance officials to keep these cost pressures under close review as part of managing a path to budget balance position for 2023-24.

COPFS Budget for 2024/25

COPFS is currently working with Scottish Government on the budget planning and allocations for 2024-25. COPFS' budget allocation for the next financial year will be confirmed later this year in line with the Scottish Government 2024-25 Budget process.

COPFS appreciates the support of Scottish Ministers to date in supporting COPFS by the provision of additional resource to enable COPFS to meet its statutory obligations, the challenges presented by demand-led casework and to maintain pay parity for COPFS staff with equivalent Scottish Government roles.

While the multi-year backlog remains, unprecedented additional demand will be placed upon COPFS due to continued, repeat engagement with victims and witnesses to ensure that they are supported during significantly extended case journey times. Maintenance of resources over the next financial period is therefore essential for meeting reasonable public expectations, supporting victims and witnesses, and delivering the five-year commitment by COPFS and justice partners to address trial backlogs and to investigate Covid deaths.

Scottish Government is committed to funding COPFS and other justice partners until 2026/27 to tackle the pandemic case backlog and to continue resourcing additional courts. Funding to investigate Covid deaths will also continue and reviewed in line with death investigations being satisfactorily concluded.

COPFS' resource funding requirements are being considered as part of the 2024-25 Scottish Budget process. The funding requirements reflect the baseline allocation for 2023-24 and the costs for delivering the essential services not funded in the current financial year (figures presented below include and exclude pay award costs):

COPFS Resource Funding 2024-25 in £m (Excluding 2024/25 Pay Award)	
2023-24 Budget ¹	182.2
Pay Parity	7.25
Two additional High Courts	0.75
Evidence on Commissioner Unit	0.95
New Legislation	4.4
Postmortem/Mortuary costs	0.85
Total resource	196.4

COPFS Resource Funding 2024-25 in £m (Including 2024/25 Pay Award assumptions)	
2023-24 Budget ¹	182.2
Pay Parity	7.25
Two additional High Courts	0.75
Evidence on Commissioner Unit	0.95
New Legislation	4.4
Postmortem/Mortuary costs	0.85
2024-25 Pay Award	10.4
Total resource	206.8

¹ Includes Covid recovery and Covid death investigation funding

Additional resources to meet demand-led pressures relating to increased deaths and health and safety death investigations are not included in the above figures. As COPFS face real and immediate pressures to investigate reported deaths timeously, these issues will be discussed with Scottish Government and, where appropriate, business cases for specific resource considered in due course.

Inflation and Pay Award Cost Pressures

COPFS like all organisations is experiencing higher inflation than in previous years. The average inflation experienced on COPFS' non-staff expenditure for 2023-24 is 10%. This has resulted in £2.6m of additional pressure on COPFS' non-staff resource budget for 2023-24, with consequent impact on budget baselines for 2024-25.

COPFS acknowledges the Scottish Government's public sector pay strategy and the approaches for managing pay settlement costs in the planning for the 2024-25 Scottish Budget. Factoring Scottish Government pay strategy financial planning parameters, COPFS pay costs could increase by around £10m for 2024-25.

As stated above, approximately 82% of COPFS' resource budget is spent on payroll costs. These costs are greater due to COPFS having grown its staff numbers, as approved by Scottish Ministers, to allow the service to deliver reforms, address case backlog due to the impact of the pandemic and meet reasonable public expectations of service.

To realise unfunded pay award savings of £10m, in addition to COPFS delivering annual staff attrition and vacancy management savings of around £6m (costs which are incorporated to COPFS' budget allocation baseline), a reduction of around 200 staff would be required (7% of current FTE). A reduction of 200 staff is the equivalent of permanently closing both the COPFS Aberdeen and Dundee Procurator Fiscal offices. COPFS also requires 125 lawyers each day to prosecute cases in the 33 summary trial courts across Scotland. The additional funding provide to resource the Covid deaths team requires a staff complement of 100 skilled staff to carry out the necessary investigations.

Staff reductions of this level would reduce COPFS' headcount to below the levels acknowledged as being essential for the service to meet its state obligations and would impact on capacity to investigate Covid deaths and tackle case backlog. Other service and casework improvements, including improved communication and engagement with families, victims and witnesses and improved management of cases and timescales, resolved only a year or so ago by the allocation of adequate funding, would be reversed.

Due to the nature of the functions and services provided by COPFS, and reflecting the extremely challenging additional efficiencies COPFS is attempting to deliver in the current financial year, there is no viable scope for stopping or scaling back any specific or significant activity without increasing risks to communities and the loss of public confidence in the Scottish Justice system. Neither does COPFS have flexibility over its expenditure which is contractual and statutory spend.

Reform and Capital Investment Transformation

COPFS are realistic about the pressures on public sector funding and the need to deliver improved outcomes with less. We are therefore committed to driving and supporting judicial and casework reform with our criminal just partners. We have worked closely with Police Scotland over the last year to prioritise and support the judicial reform of summary courts in Scotland. This has been achieved without any additional funding or the need for legislation. The pilot, which started in three Sheriff Courts in September 2022, is already demonstrating positive outcomes: a reduction in police witness citations of up to 50%; cases resolving without trial at an earlier stage; and faster outcomes achieved in cases which go to trial. We are supporting an expansion of the pilot at the start of 2024. These reform outcomes are delivering efficiency savings for the courts, police and prosecutors, whilst also minimising trauma for victims and witnesses.

COPFS also welcomed the additional capital investment assigned in 2023-24 (part of a three-year investment plan) to enable it to maximise its use of digital technology to transform casework and to support new and more efficient ways of working and delivery of services. The replacement of COPFS' digital casework systems is complex and delivery is multi-year.

We will therefore confirm a five-year delivery plan later this year, which will set out how COPFS will reduce its current levels of staff and resource needs as the pandemic recovery work is completed and reflecting casework, system level casework reform and transformation driven efficiencies. Our plan will help secure a sustainable financial model for the years ahead.

Conclusion

To meet these challenges, COPFS is engaging with Scottish Government on the minimum resources it needs for 2024-25 to deliver justice and to meet reasonable public expectations. COPFS will also develop a three to five year business model proposition in which we will take advantage of system reform projects and initiatives and efficiency improvements from capital investment and set out how the organisation will reduce its current levels of staff and resource needs as the pandemic recovery work is completed. This model is predicated on:

- Receiving the essential funding required to deliver statutory obligations to deliver justice, meet the increasing demands of investigating and prosecuting sexual offences and deaths investigations, tackle the court backlog and investigate Covid deaths;
- Completion of the court recovery programme and clearing of case backlogs within the required timeframes (and therefore enabling the associated staff resources to be released or reassigned);
- Court case levels returning to or falling below pre-pandemic levels;
- Ability of justice partners to support COPFS caseload and the prosecution of crime within statutory case time bar limits;
- Detailed assessment of the efficiencies and benefits analysis from the strategic digital transformation programme.

COPFS will further discuss these funding requirements and the proposed business model with the Scottish Government at the relevant stages of the 2024-25 Scottish Budget process.

I hope this is helpful and would be happy to provide the committee with further information.

Scottish Courts and Tribunals Service

Thank you for inviting the Scottish Courts and Tribunals Service (SCTS) to submit written evidence as part of the Committee’s pre-budget scrutiny for 2024-25. In order to assist the Committee in its scrutiny our evidence is broken into the following sections:

- i. Background and context (including an overview of our 2023-24 budget);
- ii. Resource budget – projections and requirements for 2024-25;
- iii. Capital budget – pressures and requirements for 2024-25;
- iv. Longer-term outlook – financial sustainability and reform.

i. Background and Context

SCTS exists to support the efficient and effective administration of justice in Scotland. It does this by providing the people, buildings, systems and expertise to administer Scotland’s courts, devolved tribunals and the Office of the Public Guardian and Accountant of Court.

To understand the requirements of SCTS in 2024-25 I will first set out the position in the current financial year. Total SCTS resource expenditure in 2023-24 is forecast to be around £191m (*see table 1, overleaf, for a breakdown of costs*). The final figure will be dependent on in-year funding transfers, for areas that are activity led, such as members’ fees in relation to business across the chambers of the First Tier Tribunal for Scotland and judicial vacancies. In addition to resource expenditure our forecast capital expenditure for 2023-24 is £17.2m.

The vast majority of our expenditure is committed in advance and can be subject to fluctuations which are not within our control. A large proportion of our expenditure is exposed to inflation or subject to public sector pay policy. Table 1 summarises where our resources will be spent in the current financial year, and provides a brief explanation of the key factors that dictate costs in each area and the key factors that can cause those costs to change.

Where a cost pressure is identified as “demand-led” this means that the cost can rise or fall dependent on the level and complexity of business that enters Scotland’s courts, devolved tribunals and the Office of the Public Guardian. SCTS is not in fully control of those input levels and must therefore flex its capacity to deal with changes – or allow backlogs to accumulate should that not be possible.

Table 1 – SCTS Resource Expenditure Forecast 2023-24

Cost Category	2023-24 Forecast £m	What dictates cost in this area?	What drives future pressure on these costs?
Pay	82.7	Fixed cost/Business volumes	SG Pay Settlement/Policy
Buildings (inc rent & facilities management)	31.1	Fixed cost	Inflation (e.g. energy)
Judicial Pensions	16.2	Fixed cost	Demand led/scheme rules
Judicial Costs	3.8	Business volumes	Demand led/inflation
Tribunal fees	12.9	Business volumes	Demand led/fee rates
Office Services (e.g. postage, software, IT maintenance)	10.4	Business volumes / Digital development	Inflation/demand
Supplies & Services (e.g. contractors, events, bank charges)	1.0	Business volumes / Digital development	Inflation/demand
Training & Travel	1.1	Fixed cost	Inflation
COVID-19	2.0	Fixed cost	Ongoing compliance with Guidance (<i>enhanced ventilation and cleaning</i>)
Court recovery	19.9	Business volumes	Demand led
Juror costs	3.9	Business volumes	Demand led
Court Orders / Reports (e.g. medical reports, sheriff officers)	3.7	Business volumes	Inflation
OPG CMS	2.0	Replace end of life system	Ongoing programme of system upgrades required across SCTS Business
Total	190.7		

We would like to acknowledge the financial support that has been provided by the Scottish Government over recent years – particularly in relation to managing the consequences of the COVID pandemic. Last year we presented the Committee with a detailed assessment of the steps that would need to be considered to deal with a flat-cash scenario, which would have had a significant negative impact on the operation of the justice system. This was recognised by the Scottish Government and our budget for the current financial year, whilst challenging, has allowed progress to continue in addressing criminal case backlogs. It has also supported work to deliver longer-term improvements, including the increased use of evidence on commission, live streaming of significant cases and the development of modern case management systems for both civil and tribunal business which support electronic case submission.

Public sector pay increases are presenting us with a particular challenge at this point. We are currently assessing the pay award reached between Scottish Ministers and recognised unions in respect of Scottish Government staff, covering both 2023-24 and 2024-25. In acknowledging the ongoing cost of living challenges the pay offer made by the Scottish Government is a significant deviation from its published Public Sector Pay Strategy, resetting baseline expectations for other public bodies.

While we welcome this movement it does place SCTS in an extremely difficult position as our budget for 2023-24 was committed in line with the Public Sector Pay Strategy and, even at that level, it was challenging to achieve a balanced budget for the year. SCTS has extremely limited financial flexibility to make a similar offer. The cost of matching this increase in 2023-24 would be an additional £3.9m and £6.5m in 2024-25. Discussions on affordability with the Scottish Government are ongoing.

ii. Resource budget – projections and requirements for 2024-25

The SCTS [Corporate Plan](#) for 2023-26 was published in April of this year, setting out our ambitions for the coming period. Through the work of the court recovery programme we have been able to make real inroads into the case backlogs that accrued during the pandemic. We have also been able to deliver a range of reforms that will improve the operation of Scotland's courts, tribunals and the justice system as a whole. It will be crucial to maintain funding so that we can address the multi-year challenge of tackling backlogs whilst realising the full benefits that new ways of working and reform can bring.

Our overarching vision for criminal justice is to develop a world class service for criminal court users – providing optimum digital solutions that support staff, the Judiciary and partners in the delivery of fair, accessible, effective and efficient justice – inspiring confidence in all who use it. To achieve this over the next three years we have set ourselves key objectives in relation to criminal justice reform:

- We will reduce criminal case backlogs and waiting times by delivering additional court capacity to support recovery and address unacceptable periods of delay.
- We will minimise disruption to victims and witnesses, whilst protecting the rights of the accused, by supporting the judiciary to minimise the number of

summary cases set down for trial unnecessarily, reducing late pleas of guilty and decisions on discontinuation of cases.

- We will support implementation of the recommendations made in the Lord Justice Clerk's Review – "Improving the Management of Sexual Offence Cases" – by effectively managing the growing level of complex cases and providing a supportive, trauma-informed approach
- We will enable greater use of evidence by commission, reducing the risk of re-traumatisation and allowing the best possible evidence to be heard, while safeguarding the rights of the accused.
- We will build on our use of technology to increase flexibility and resilience in the management of criminal business – exploring the possibility of deploying a specialist virtual domestic abuse court model; making best use of virtual approaches for custody and procedural business and expanding our capacity to host remote evidence by Police and Expert witnesses in our sheriff courts.

Discussions on the 2024-25 budget are under way with the Scottish Government. Given that future year allocations are as yet unknown we have used the current year's baseline to conduct modelling as part of our medium term financial strategy – calculating the level of additional support that will be required compared to the 2023-24 baseline to maintain our current level of service and to continue to invest in recovery and reform. Modelling of this nature involves making some estimates and using projections in relation to financial drivers such as pay and inflation.

With inflation and public sector pay settlements presenting upward pressure, increases to our core resource budget will be required if current service levels are to be maintained. Our modelling indicates that an uplift of £13.4m in the revenue budget will be required in 2024-25, to avoid any deterioration in service and to continue the reform journey.

As table 1 (*page 2*) indicates, the vast majority of the expenditure incurred by SCTS is absolutely necessary to maintain the current size and scale of operations. The level of business that enters the system is not within our control. The factors that increase or reduce costs in our main areas of expenditure are largely beyond our control. The pressure on them is upward.

Budgets have been tight over the past decade. We have identified and delivered efficiencies throughout that period, including a programme of court closures and staff cuts. As a consequence it becomes increasingly challenging to identify further efficiencies that do not directly impact on either the level of service or the quantity of business that can be processed. In addition to delivering the court recovery programme – which aims to tackle backlogs that accumulated during the pandemic – we are experiencing continued growth in the reported level of sexual offence and domestic abuse cases, particularly serious cases, which require more court time and resource to manage.

As an organisation with a fixed budget we do have to live within our means – but were resources to be constrained in the coming year beyond the levels set out above the options available to us to balance the books would be unpalatable. They would

impact directly on those who rely on the courts and tribunals to assert their rights and ensure that justice is done. By way of example:

- A reduction in sheriff summary/civil court sitting days of 25% and a reduction in court staff headcount by approx. 180 – saving around £8m annually (once delivered in full). This would require removal of the no-compulsory redundancy guarantee in the Scottish Public Sector Pay Policy and funding to support redundancies in year 1.
- The removal of all part-time sheriff provision (both for business as usual and the recovery programme) would release approx. £5.8m per annum – but would reduce overall capacity and restrict flexibility and resilience in court operations. As well as supporting part-time sheriffs a proportion of this funding is used to provide backfill support so that experienced sheriffs can sit in the High Court as temporary judges – supporting the criminal court recovery programme.
- The backlog maintenance budget for SCTS premises could be further restricted by £1m per year, to focus solely on health and safety issues and keeping buildings wind and watertight to the greatest extent possible. This runs the risk of safety related incidents and would also postpone any works planned to support carbon reduction.
- There is no current evidence to support a further round of court closures – 10 Sheriff Courts and 7 Justice of the Peace Courts were closed between 2013 and 2015. We believe that the current distribution of courts across Scotland strikes the right balance between efficiency, effectiveness and local access to justice. Committee members will be aware that court locations can only be closed by affirmative order of the Scottish Parliament, so this is not a step that could be taken by SCTS on its own.

Clearly taking any of the above steps would risk the inroads made to date through the work of the criminal court recovery programme and would lead to outstanding case levels returning to their pandemic peaks and beyond. The attendant risks of disengagement from the court process due to delay, increased trauma for victims, a reduced quality of evidence over time and further pressure on the remand population are all well understood by the Committee.

Should budgets be constrained we would have to focus on administering the greatest number of cases possible under the existing regime. Our capacity to support and deliver reform would be limited, or dependent on specific awards of funding for each initiative in question. The potential to make greater use of technology to support initiatives such as virtual custody hearings is currently being developed and has the potential to deliver significant and lasting reform. For it to do so will require continued collaboration and investment to deliver at scale.

iii. Capital budget – pressures and requirements for 2024-25

SCTS continues to balance its capital funding between investment in digital developments, cyber security and maintaining a built environment that is safe, secure and supports effective operations. In recent years the Scottish Government has recognised that the baseline capital allocation of £8m is insufficient to support

that combination of transformation, maintenance and improvement. In-year funding has supported an annual capital budget of around £17m. Our assessment is that this represents a sustainable baseline for future years, particularly in view of recent inflationary pressures in the construction and digital sectors, which have exceeded CPI and RPI levels.

A significant proportion of our buildings are historic and listed – factors that make it more challenging and expensive to maintain the fabric and introduce carbon reduction measures. The most essential capital works are carried out as a priority, informed by an ongoing programme of condition surveys. With the support of additional in-year funding, as outlined above, we have been able ensure that essential upgrades and investments have been made. There have been no instances in recent years where unscheduled maintenance has resulted in a court closure or impacted on any trials. We maintain a list of outstanding capital works that are regularly prioritised to make best use of the funding available – prioritising safety and seeking to develop and improve the estate where we can.

We have taken significant steps – during the pandemic and thereafter – to improve our digital infrastructure. Modernisation of our network, core applications and cyber security operations has been necessary and will remain so – as more service users choose to interact with us in this way and as the threat faced by those running large operations becomes increasingly sophisticated. The Scottish Government's ambitious legislative programme is to be welcomed – but we need to ensure our core systems keep pace with new legislation and policy. Even small changes in the law can require quite significant system upgrades. Should budgets be constrained in this area we would have to prioritise core system maintenance – in common with the approach taken to the estate.

iv. Longer Term Outlook – Financial Sustainability and Reform

Looking ahead we face a number of challenges and opportunities in the coming years – which will inform the development of our medium term financial strategy:

- Continued focus and resourcing will be required to maintain progress on the criminal court recovery programme. Over the next 2-3 years our goal is to reduce outstanding case levels (and associated waiting periods) to an acceptable level as set out in our published modelling. The funding provided to support the criminal court recovery programme has proved invaluable in making significant inroads to the backlog to date – and will be necessary to maintain progress.
- More fundamentally the Committee will appreciate that case levels have not returned to pre-pandemic levels. Solemn business has, in particular, continued to grow – a trend that emerged before the pandemic and shows no sign of abating. For example – in 2018-19 there were 6,181 indictments registered across the High Court and sheriff courts. The projection for 2023-24 is 8,520 – an increase of 38%. Faced with such sustained growth the level of courts currently operating to support recovery may in future be the level required to prevent backlogs from *re-developing*. It would clearly only be possible to maintain this level of operation if financial support is maintained.
- There is an ambitious reform agenda planned over the next few years – including significant new legislation, practical improvements to the system

such as the summary case management pilots and the creation of specialist evidence suites to support implementation of the Lord Justice Clerk's review of the Management of Sexual Offence cases. These all present real opportunities for positive change. They will require effective implementation and evaluation to deliver their full benefits. Resourcing will be essential to support that work – ensuring it adds real value, rather than adding to a system under strain.

- The growing demand for digital services will increase opportunities to conduct business in innovative ways – offering real benefits to service users, but requiring investment both to develop new systems and ensure our core systems remain robust and secure. Whilst the pandemic created significant backlogs, it also proved the concept of some new ways of working that can benefit those using the system. The potential for improvement is significant and within reach – provided that we can continue to support reform.
- SCTS generates income (projected at £46.9m this year) in order to offset costs and meet its approved expenditure limit. The majority of that income relates to fees charged in civil court cases. Levels of civil court business are still slightly below pre-pandemic levels. In addition the annual fee increase (set by the Scottish Government and approved by Parliament via passage of a fees order) has been set at 2% until 2025, which is significantly below current inflation levels. Over the coming years the amount of revenue that we will be able to collect from that business will reduce relative to the expenditure required to maintain it, unless the fee level is reconsidered.
- The need to take further action in support of the net-zero agenda will continue to grow. Since becoming a non-ministerial office in 2010 SCTS has more than halved its carbon emissions. Further progress is becoming more challenging and costly. We are reviewing our sustainability strategy to ensure we remain on track to the greatest extent possible. A move towards digital ways of working presents the most promising options for future improvement.

With so many of our costs either fixed or demand led our ability to “turn-off” expenditure at pace is limited – and tends to focus on those areas where we are investing to make longer term improvements or savings. Over 75% of the resources available to us are invested in our people and buildings, to “keep the show on the road”. Working with the no compulsory redundancy guarantee and a court presence across the country that is considered appropriate means there is limited flexibility in these areas. The small areas of discretionary expenditure that we do have available are focused on digital development and reform. Reducing these would be a lost opportunity to improve.

We understand that the public purse is under significant pressure and will continue to deliver our functions in the most efficient and effective way. The Lord President, Chair of the SCTS Board, has previously observed that providing timely access to the courts and tribunals so that laws may be challenged and disputes resolved is more than just a public service: it is an essential aspect of the machinery of a democratic society, which must be maintained if confidence in the rule of law is to be upheld. The Judicial Principles for the Provision of Access to Justice in Scotland state that:

CJ/S6/23/21/2

“In providing services in support of the courts of Scotland, and the judiciary in those courts, the SCTS cannot be asked to provide services at a cost greater than the resources made available”.

I would be happy to provide the Committee with further information should that be of assistance and to expand on the points made above at the session on 13 September.

Other relevant written submissions

HMICS

What are your views on the extent to which spending priorities in the criminal justice sector are being met in 2023/24 and whether these continue to be the right priorities?

The challenges to budgets across all public sector organisations is leading to service reductions and challenges to the well being of the workforce. Within Policing this has seen a reduction of officer and staff head count to meet more constrained budgets at a time of rising non-crime demand.

I am concerned that there is too much of a silo mentality across public sector bodies and government departments. A clear articulation of this is in the challenges brought on by mental health crisis. There are too few services available to meet the health aspect of people becoming mentally unwell and needing support. This then defaults to blue light services who can only stop the crisis from becoming worse while trying to engage the individual in a service that will improve their health. As budgets shrink these services appear to have have drifted further apart leading to policing responding to this demand but then having to manage it in healthcare settings for longer and longer periods of time.

Looking at justice as one silo will tend to lead to this becoming more embedded. A whole system approach to communities needs to be considered to understand their needs and how best to meet them.

What are your views on the spending priorities and challenges in the next financial year (2024/25) and whether the spending allocated to your organisation and/or the criminal justice sector more widely is sufficient?

The allocation of money to the wider justice portfolio is leading to pressures on policing who are increasingly seeing demand increasing. The challenges of reducing court backlogs post COVID remain and the inefficiencies in systems where officers time is taken protecting the courts, attending court to give evidence (often on days off) and often being cancelled from attendance at short notice is a recurring theme that is told to inspectors.

This inefficiency leads to a lack of officer time, front line officers being stretched, not getting breaks and often working significant overtime that is not affordable.

An end to end examination of this would be of value- if there is an appetite to make systemic and sustainable change to improve efficiency and outcomes from the CJ system.

What are your views in particular on the adequacy of capital spending budget allocations and investment?

CJ/S6/23/21/2

The capital allocation to the SPA and Police Scotland is very low in comparison to Police organisations in England and Wales. This has caused the drag on IT development that would allow for more efficient service delivery and improve the productivity of officers and staff. Without the ability to manage and maintain effective IT then the need for people resources remains high- a false economy.

Additionally, maintaining and changing the estate to meet the current need in communities is hampered by a lack of capital. The ability to move more swiftly and divest the organisation of inefficient and poorly located premises leads to the challenge to improve being ever more difficult.

The current Police Scotland revenue budget is £1,278 million with a capital budget of £53million. (so capital is less than 4% of the total budget). In comparison Lincolnshire Police has a revenue budget of £146 million and a capital budget of £10.84 million (capital is 7% of total budget). Lincolnshire is recognised as the poorest funded force in England and Wales and is less than 10% of the size of Police Scotland yet has a capital budget approximately 20% of the size of Police Scotland capital budget. This position is not sustainable in the short or long term.

Fire Brigades Union Scotland

Dated 27 June 2023

Dear Convener,

I write in my capacity as the Executive Council Member of the Fire Brigades Union in Scotland to express my concern regarding the Scottish Fire and Rescue Service (SFRS) announcement last month to “Mothball” ten wholetime fire appliances as part of a wider Strategic Service Review Programme. These concerns also extend to further cuts to remove the dedicated crew of the rescue boat on the river Clyde from Polmadie Fire Station, and the removal of two dedicated high reach appliances (HRAs).

As the SFRS have detailed in their own internal communications, these moves are driven in an attempt to deliver £11 million in savings within this financial year, in order to deliver a balanced budget. Additionally, SFRS project that a further £25 million will need to be saved over the following three-year budgetary cycle.

Giving evidence during your own committees' Pre Budget-Scrutiny session on 26 October 2022, the SFRS Chief Fire Officer, Ross Haggart, set out the likely impact of the Scottish Government resource spending review announced on 31 May 2022. In his evidence CFO Haggart outlined that on those projections SFRS would have to find cumulative recurring savings over the next four years of between £29 and £43 million. The written submission provided by SFRS stated:

3.5 The implications are that, in the event of SFRS receiving a flat cash budget, to meet our short-term financial target there will need to be a reduction in staffing, including firefighter numbers achieved through retirements and vacancy management. In such circumstances, there would need to be a reduction in the wholetime firefighter Target Operating Model (TOM) to meet short term financial targets. A reduced TOM will also create challenges for the Service in managing appliance availability across many parts of Scotland. By using retirement and vacancies to reduce staffing numbers, the Service cannot plan for where those staffing reductions will occur across the organisation.

3.6 Changes to the TOM would further mean there could be a reduction in some areas causing situations to arise where availability within a particular community cannot be guaranteed to the same levels as they are today. This would lead to a reduced number of community safety interactions delivered via local operational teams who deliver both response and prevention activities. Equally we will likely see a potential reduction in specialist operational teams across the country.

Additionally, the CFO, when questioned as to the potential direct impact of these savings on firefighter numbers, commented that:

“If we were to translate that into wholetime firefighter numbers proportionately to how much we spend on operational costs, it would equate to approximately 780 wholetime firefighter posts. That would be the proportionate reduction.

Now that's essentially between 20 and 25 percent of our wholetime firefighter workforce”.

The reality of the budget settlement for 2023/24 is that the SFRS wholetime firefighter Target Operating Model figure will be reduced as a direct result of the requirement to make in year savings of £11 million, by around 200 posts. This comes on the back of a decade of cuts to firefighter numbers in Scotland, with over 1100 firefighter posts cut since 2012/13.

If those cuts alone go ahead this will amount to around a 17% reduction in firefighters having been cut from SFRS in the 10 years since its creation, a figure approaching the savage cuts that have been suffered by Fire and Rescue Services across England which have seen an overall reduction of 20%. The CFO's further potential projection over the next three years would see this figure rise to 25% of the overall firefighter workforce from the creation of SFRS.

Additionally, the sustained flat cash capital budget allocation since 2017/18 has added to a chronic under provision of resources required to maintain the SFRS estate. In 2018 Audit Scotland reported that SFRS had an insurmountable capital investment backlog that would require £80 million to be invested for a concentrated time followed by an ongoing yearly capital budget of around £50 million. This creates further pressure on already stretched budgets.

I would therefore request that the Criminal Justice Committee consider the need to apply scrutiny to both the immediate decision on the removal of resources and reductions to firefighter numbers, and additionally the longer impact of the budgetary constraints applied to SFRS, which has seen significant reductions in firefighter numbers, which are projected to increase exponentially over the coming years.

I would welcome the opportunity to give evidence to the committee

Colin Brown
Executive Council Member
Fire Brigades Union
Scotland

Core budget information – criminal justice sector

Key documents

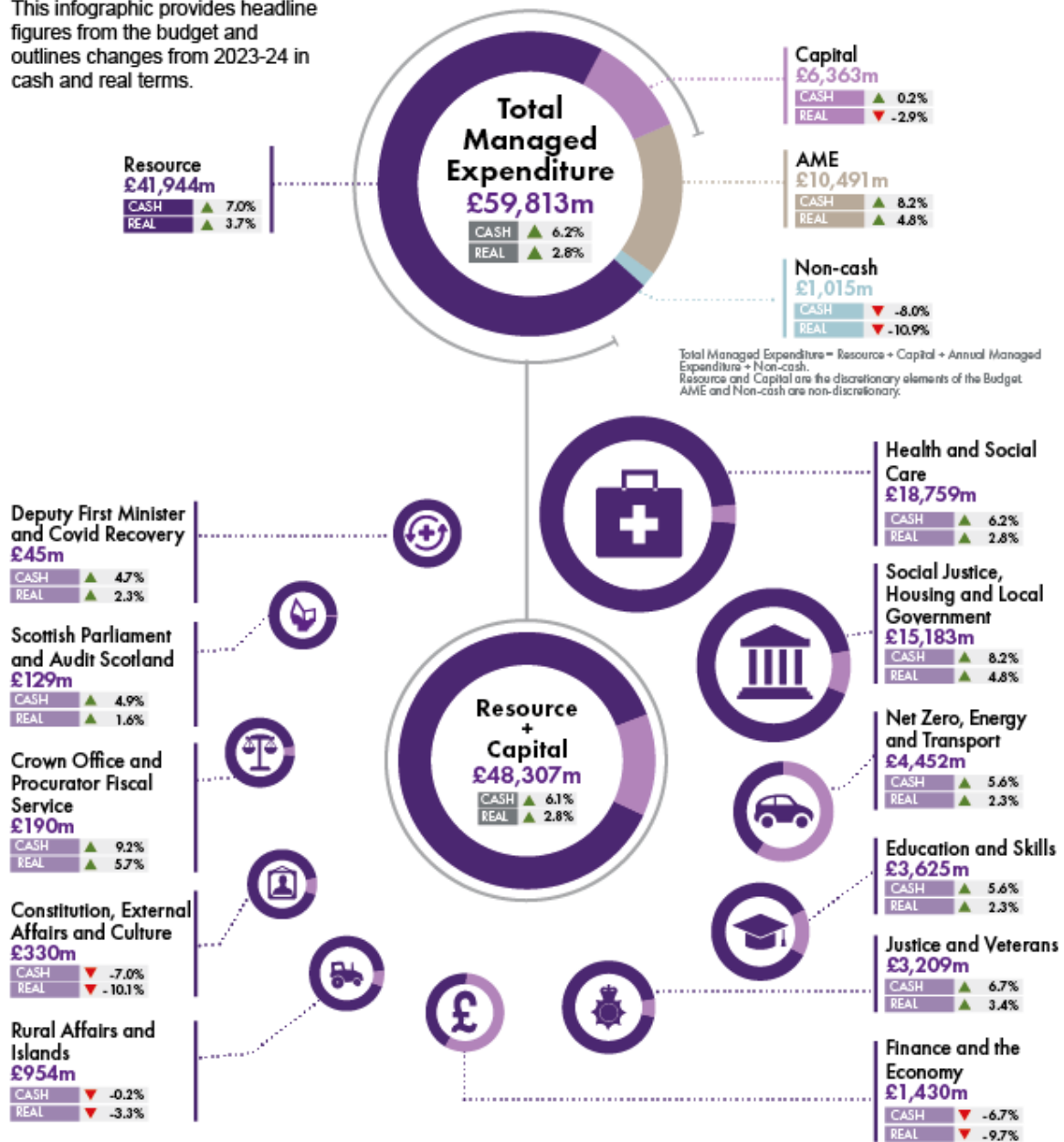
- [Scottish Government Budget 2023/24](#)
- [2023/24 Budget - Level 4 figures for the criminal justice sector](#)
- [Scottish Police Authority – 5-year spending plan \(2022/23 to 2026/27\)](#)
- [Scottish Fire and Rescue Service Strategic Framework \(2022-25\)](#)



Scottish Government Budget 2023-24

SB 22-70i

This infographic provides headline figures from the budget and outlines changes from 2023-24 in cash and real terms.



This infographic is based on Annex B of the Scottish Budget 2023-24.

Table 1: Level 2 budget figures for the justice and veterans portfolio (2021/22 to 2023/24)

Level 2	2021-22 Budget	2022-23 Budget	2023-24 Budget
	£m	£m	£m
Community Justice	47.4	48.4	49.6
Judiciary	37.3	38.8	40.8
Criminal Injuries Compensation	15.6	15.6	15.6
Legal Aid	138.0	151.9	156.1
Police Central Government	36.4	78.3	73.8
Safer and Stronger Communities	12.6	14.4	15.2
Police and Fire Pensions	350.6	350.6	400.6
Scottish Prison Service	460.2	476.4	540.8
Miscellaneous	55.0	116.7	112.5
Scottish Police Authority	1,327.8	1,368.3	1,449.3
Scottish Fire and Rescue Service	343.2	352.7	363.7
Scottish Courts and Tribunals Service	129.7	134.0	147.6
COVID-19 Funding	75.0	-	-
Total Justice & Veterans	3,029.0	3,146.1	3,365.7
<i>of which:</i>			
Total Fiscal Resource	2,724.9	2,841.0	3,006.3
<i>of which Operating Costs</i>	28.0	32.1	34.3
Non-cash	137.5	139.0	156.0
Capital	166.5	166.0	203.4
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-
Presentational Adjustments for Scottish Parliament Approval			
Legal Aid (NDPB Non-cash)	(0.6)	(0.6)	(0.6)
SPA (NDPB Non-Cash)	(50.0)	(50.0)	(51.0)
SFRS (NDPB Non-cash)	(26.0)	(26.0)	(27.0)
PIRC (NDPB Non-cash)	-	(0.2)	-
Police Loan Charges	3.8	5.1	3.7
Judicial Salaries	(35.3)	(36.3)	(36.3)
PPP/PFI adjustments	1.2	1.6	1.2
SCTS - shown separately	(129.7)	(134.0)	(147.6)
Central Government Grants to Local Authorities	86.5	86.5	86.5
Total Justice	2,878.9	2,992.3	3,194.6
Total Limit on Income (accruing resources)	39.7		

Tables 2 to 15: Level 3 budgets for various parts of the criminal justice sector for 2023/24

Table 2 - Community Justice

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Offender Services	44.2	45.1	46.4
Miscellaneous	3.2	3.2	3.2
Total Community Justice	47.4	48.4	49.6
<i>of which:</i>			
Fiscal Resource	47.4	48.3	49.6
Non-cash	-	0.1	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table 3 - Judiciary

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Judiciary	2.0	2.5	4.5
Judicial Salaries	35.3	36.3	36.3
Total Judiciary	37.3	38.8	40.8
<i>of which:</i>			
Fiscal Resource	37.3	38.8	40.8
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table 4 - Scottish Courts and Tribunals Service

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Scottish Courts and Tribunals Service	129.7	134.0	147.6
Total Scottish Courts and Tribunals Service	129.7	134.0	147.6
<i>of which:</i>			
Fiscal Resource	96.1	100.4	105.4
Non-cash	25.6	25.6	29.6
Capital	8.0	8.0	12.7
FTs	-	-	-
UK Funded AME	-	-	-

Table 5 - Criminal injuries compensation

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
CIC Scheme	13.8	13.8	13.8
Criminal Injuries Administration Costs	1.8	1.8	1.8
Total Criminal Injuries Compensation	15.6	15.6	15.6
<i>of which:</i>			
Fiscal Resource	15.6	15.6	15.6
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table 6 - Legal aid spending

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Legal Aid Administration	12.2	13.6	14.8
Legal Aid Fund	125.8	138.3	141.3
Total Legal Aid	138.0	151.9	156.1
<i>of which:</i>			
Fiscal Resource	137.3	151.2	155.4
Non-cash	0.6	0.6	0.6
Capital	0.1	0.1	0.1
FTs	-	-	-
UK Funded AME	-	-	-

Table 7 - Central Government Grants to Local Authorities

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Criminal Justice Social Work	86.5	86.5	86.5
Total Justice Central Government Grants to Local Authorities	86.5	86.5	86.5
<i>of which:</i>			
Fiscal Resource	86.5	86.5	86.5
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table 8 - Police Central Government spending

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
National Police Funding & Reform	36.0	77.9	72.4
Police Support Services	0.4	0.4	1.4
Total Police Central Government*	36.4	78.3	73.8
<i>of which:</i>			
Fiscal Resource	33.9	73.3	61.3
Non-cash	2.5	2.5	2.5
Capital	-	2.5	10.0
FTs	-	-	-
UK Funded AME	-	-	-

Table 9 - Safer and stronger communities

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Safer Communities	12.6	14.4	15.2
Total Safer and Stronger Communities	12.6	14.4	15.2
<i>of which:</i>			
Fiscal Resource	12.6	14.2	15.2
Non-cash	-	0.2	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table 10 - Police and Fire pensions spending

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Police Pensions	278.4	278.4	291.4
Fire Pensions	72.2	72.2	109.2
Total Police and Fire Pensions	350.6	350.6	400.6
<i>of which:</i>			
Fiscal Resource	350.6	350.6	400.6
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table 11 - Scottish Prison Service

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Scottish Prison Service	460.2	476.4	540.8
Total Scottish Prison Service	460.2	476.4	540.8
<i>of which:</i>			
Fiscal Resource	354.6	369.6	398.6
Non-cash	32.8	34.0	45.2
Capital	72.8	72.8	97.0
FTs	-	-	-
UK Funded AME	-	-	-

Table 12 - Miscellaneous

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Safe and Secure Scotland	8.4	11.2	11.5
Victim/Witness Support	18.2	20.2	22.7
Other Miscellaneous	28.5	85.4	78.3
Total Miscellaneous	55.0	116.7	112.5
<i>of which:</i>			
Fiscal Resource	52.0	116.6	111.4
Non-cash	-	0.1	0.1
Capital	3.0	-	1.0
FTs	-	-	-
UK Funded AME	-	-	-

Table 13 - Scottish Police Authority

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Scottish Police Authority	1,327.8	1,368.3	1,449.3
Total Scottish Police Authority*	1,327.8	1,368.3	1,449.3
<i>of which:</i>			
Fiscal Resource	1,227.7	1,268.2	1,348.2
Non-cash	50.0	50.0	51.0
Capital	50.1	50.1	50.1
FTs	-	-	-
UK Funded AME	-	-	-

*Prior years restated to reflect baseline transfer from Police Central Government in 2023-24.

Table 14 - Scottish Fire and Rescue Service

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Operating Expenditure	343.2	352.7	363.7
Total Scottish Fire and Rescue Service	343.2	352.7	363.7
<i>of which:</i>			
Fiscal Resource	284.7	294.2	304.2
Non-cash	26.0	26.0	27.0
Capital	32.5	32.5	32.5
FTs	-	-	-
UK Funded AME	-	-	-

Table 15 - Crown Office and Procurator Fiscal Service

	2021-22 Budget	2022-23 Budget	2023-24 Budget
Level 3	£m	£m	£m
Staff Costs	112.6	132.5	148.2
Office Costs	3.8	4.0	4.5
Case related	16.7	17.8	17.1
Centrally Managed Costs	17.6	20.1	18.5
Capital Expenditure	4.8	5.3	8.3
Total Government Business	155.5	179.7	196.6
<i>of which:</i>			
Total Fiscal Resource	145.6	168.6	181.8
Non-cash	5.1	5.8	6.5
Capital	4.8	5.3	8.3
FTs	-	-	-
UK Funded AME	-	-	-