The Scottish Government has now published its budget for 2017-18. This submission covers the budget allocated to the Crown Office and Procurator Fiscal Service (COPFS).

COPFS is Scotland’s sole prosecution authority and fatality investigation service in respect of deaths which require further investigation. COPFS acts independently in the public interest on the authority of the Lord Advocate.

COPFS receives initial investigation reports about crimes from the police and all other reporting agencies in Scotland and decides, independently and impartially, what action to take in the public interest, including whether to prosecute. Decisions are taken on whether or not prosecutorial action is warranted without fear or favour and based solely on the available evidence and in accordance with the Lord Advocate’s policies on prosecution.

We also enquire into deaths that need further explanation and investigate allegations of criminal conduct against police officers.

The arrangements for the COPFS budget allocation are different from other justice sector organisations in that, to protect his constitutional independence, the Lord Advocate deals directly with the Cabinet Secretary for Finance in respect of the COPFS budget.

The COPFS budget allocation for 2017-18, together with this year’s budget for comparison purposes, is outlined below:

Table 1: Spending Plans (level 2)

<table>
<thead>
<tr>
<th>Level 2</th>
<th>2016-17 Draft Budget £m</th>
<th>2016-17 Budget £m</th>
<th>2017-18 Draft Budget £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEL Resource</td>
<td>103.5</td>
<td>104.5</td>
<td>103.5</td>
</tr>
<tr>
<td>DEL Capital</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>DEL (non-cash)</td>
<td>5.4</td>
<td>5.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Total</td>
<td>112.5</td>
<td>113.5</td>
<td>111.1</td>
</tr>
<tr>
<td>AME</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 2: More detailed spending plans (level 3)

<table>
<thead>
<tr>
<th>Level 3</th>
<th>2016-17 Draft Budget £m</th>
<th>2016-17 Budget £m</th>
<th>2017-18 Draft Budget £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs</td>
<td>72.4</td>
<td>73.4</td>
<td>72.4</td>
</tr>
<tr>
<td>Office Costs</td>
<td>3.9</td>
<td>3.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Case Related</td>
<td>13.4</td>
<td>13.4</td>
<td>13.4</td>
</tr>
<tr>
<td>Centrally Managed Costs (incl non-cash)</td>
<td>19.2</td>
<td>19.2</td>
<td>17.8</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Total COPFS</strong></td>
<td><strong>112.5</strong></td>
<td><strong>113.5</strong></td>
<td><strong>111.1</strong></td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource DEL</td>
<td>108.9</td>
<td>109.9</td>
<td>107.5</td>
</tr>
<tr>
<td>Capital DEL</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>AME</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Our budget next year is the same as this year’s initial budget in cash terms. However, an additional £0.95m has been transferred to us in-year in respect of the Violence against Women initiative which has enabled us to process these cases more timeously, with the result that waiting times for these types of cases have fallen. The same amount will be transferred to us in 2017-18. This means that whilst it looks as though our cash budget has decreased and expenditure on staff costs has reduced, in fact it has not.

There is, however, a small reduction in our non-cash DEL (Departmental Expenditure Limit), reflecting a change in our expected depreciation profile; this is an accounting adjustment with no effect on the resources available to fund operational activity.

The implications of this are that, *inter alia*, we will have to absorb inflation increases in pay and non-pay costs, together with inescapable increases such as the new apprenticeship levy and increases in contract costs.

We have been reviewing our medium-term financial strategy in the course of the year and considering a number of budget scenarios to enable us to plan for the next few years.

Our core scenario has been that, as in 2017-18, our allocation remains static over the following four years. We are also considering other scenarios based on a thorough review of the risks we face, including the risk of inflation rising beyond levels currently forecast, as a basis for our planning.

Our focus will be on ensuring that we can continue to deliver improving levels of service, process cases reported to us, present cases in court effectively and provide a better environment for staff.

We will seek to reduce non-staff running costs as far as possible and improve efficiency in order to minimise any impact on our staff numbers. Our largest non-staff cost is our estate, where we will be looking to make better use of our space. This could include, for example, not renewing leases on offices we rent when the leases...
expire and making better use of storage facilities for papers retained under our document retention policy. As examples of the savings which are possible, we have moved into new, cheaper leased offices in Aberdeen, and are reducing our footprint within our existing premises in Perth and Dundee, thereby reducing our accommodation costs. This will involve embracing more flexible ways of working, in conjunction with digitisation and we do not believe that this will have an adverse impact on service provision. Our estates strategy will identify future options available to improve our space utilisation.

We believe that the future of case processing is digital, with electronic exchange of data between the Police Service of Scotland and COPFS and with the defence, the courts, the NHS (for medical records and reporting deaths) and, where possible, witnesses. We also believe that enhanced use of technology will be relevant to the presentation of cases in court. Some of this is already in place, and our Digital Strategy will underpin further work to provide us with the technical infrastructure which will enable us to develop the necessary digital solutions and capabilities. Our professional in-house Information Systems Division is focussing its efforts on ensuring delivery of the strategy.

Some 7.5% of our budget is currently spent on mortuary and pathology costs. Work is in train to review the range of contracts and arrangements that we currently have with the NHS and universities to determine what scope there is to ensure the continuation of the service in a more cost-effective way.

We are also reviewing contracts more generally to identify the scope for savings there might be, whether through improved contract management or re-letting contracts. As an example, our telecoms contract has recently been re-let, which will result in lower costs in future years. We have just appointed a new Director of Procurement who, with a small team, will be taking this forward.

Staff numbers have been increasing from a low in 2012 and as at 31 October 2016 stood at 1,600 FTE (full time equivalent), with the number of prosecutors (at 534 FTE, excluding trainees) higher than it has been in every year, bar one (2010), since 2007. However, we anticipate that we will not be able to deliver all the savings required though non-staff costs, and so we expect that overall staff numbers will start to reduce during 2017-18; this downward trend will continue in subsequent years if our budget continues to remain flat in cash terms.

We believe that staff time will be freed up as a result of sheriff and jury reform, further digitisation of processes and simplifying internal procedures and processes, together with the work which we undertaking with other parts of the criminal justice system to develop more effective working arrangements. There will be no compulsory redundancies, in line with the Scottish Government’s policy. However, as per our medium term financial planning, we anticipate that we will replace some but not all staff that leave the Service voluntarily through natural turnover during 2017-18.

A workforce strategy is being put in place to underpin our decisions about how we can most effectively deploy staff, both in terms of ensuring the delivery of business and their own personal circumstances. A key component of that strategy is to reduce
our reliance on short-term contracts by appointing a greater number of staff on permanent contracts. There will, however, likely always be a proportion of our staff on short term contracts as that allows us to deal with variations in levels of business cost-effectively or to buy in specialist skills which we do not otherwise have.

The overall outlook for public expenditure is challenging and that is true for COPFS as for the rest of the public sector. COPFS staff have adjusted to major changes over the last few years and I commend their dedication, commitment and professionalism in dealing with these challenges and in continuing to serve the people of Scotland.

COPFS is committed to maintaining service improvement while absorbing the cost pressures arising in 2017-18. Our room for manoeuvre is, however, more limited than before.

David Harvie
Crown Agent
15 December 2016