

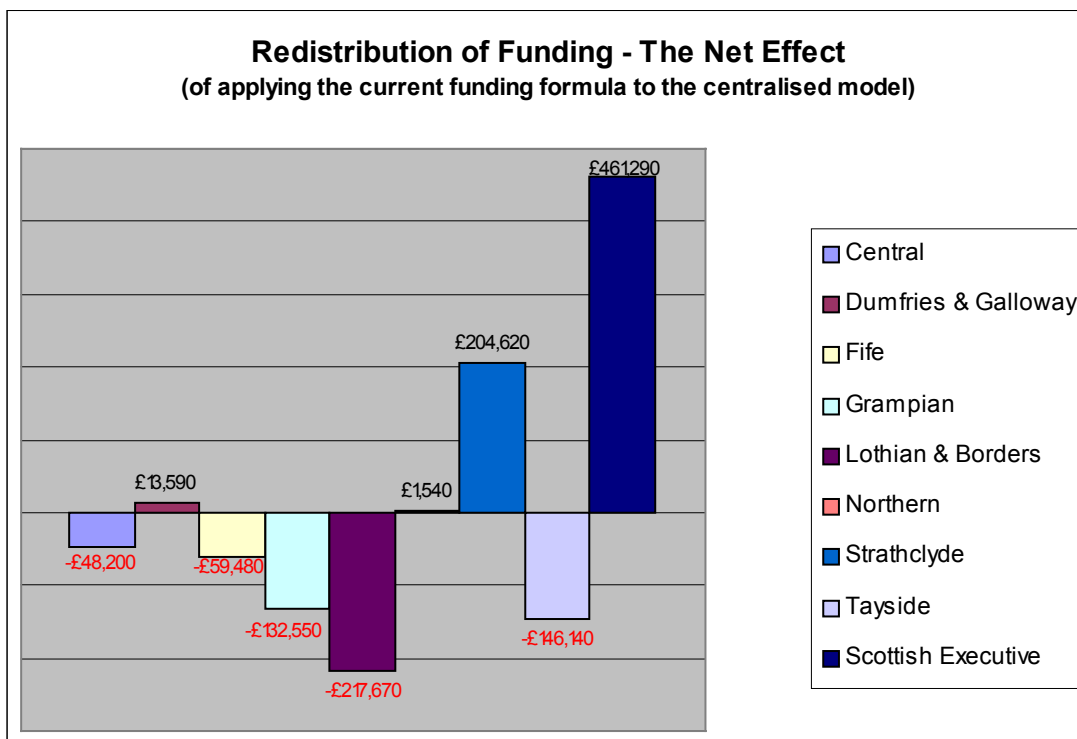
REDISTRIBUTION OF FUNDING

By far the largest and the most tangible costs associated with ongoing provision of fingerprint services relates to salaries. As part of the modelling exercise (Appendix E), an estimate of the annual salary costs at SCRO Fingerprint Bureau was calculated at £1.645M, given the current 'authorised' establishment. This equates to 32% of SCRO's annual revenue budget for 2000/2001. A similar exercise was conducted for the proposed centralised model, estimating an annual salary cost of £2.564M, a nominal increase of £77,000 from the overall salary cost of £2.487M for the current provision of fingerprint services across Scotland.

The CMRT has worked on the assumption that centralisation would place an additional financial burden on the Scottish Executive, through the effective pooling of the National fingerprint resource. It is also important, however, to consider the budgetary significance of centralisation on Forces. Chapter 6 outlines the existing pro rata funding arrangements for SCRO and develops an overview of the fuller funding arrangements for all fingerprint services currently provided in Scotland. In essence the anomaly demonstrated there is as follows, suggesting a clear need for redistribution.

Source	% paid for SCRO	% paid for fingerprint services in Scotland
Central Scotland	2	4
Dumfries & Galloway	1.5	1
Fife	3.5	6
Grampian	5.5	11
Lothian & Borders	8	17
Northern	2	2
Strathclyde	23.5	16
Tayside	4	10
Scottish Executive	50	33

In estimating the net effect, in real terms, of moving towards a centralised delivery model, the CMRT considers that contributions to a centralised service, based on the current funding formula, would have to be offset against current contributions to the SCRO Fingerprint Bureau. For the purposes of illustration, the salary estimates in Appendix E have been used as a basis for comparison (they do not, however, include market rate enhancements which may have to apply in the future). On that basis the effect of change would be as follows:



Whilst these costs will, perhaps, be indicative of the year on year change in overall budget, it must also be recognised that restructuring will attract significant expenditure, by way of set up costs. Again it will be necessary to ensure that such costs are underwritten at an early stage. These include:

- Management Consultancy Fees – associated with the future structure and redevelopment of the Common Police Services model;
- Personnel Consultancy Fees – associated with recruitment for the new service;
- Accommodation costs – including redevelopment or relocation costs as appropriate;
- Technology – including the relocation of AFR equipment (£500 per workstation), strategic development of palm capture (current estimate ££500,000) and searching, introduction of chemical processing facilities and a future investment in research and development;
- Personnel – including early appointment of a personnel function, relocation costs (est. @ £5K per person), market rate enhancements (est. at £3K per expert, excluding enhanced managerial posts), loyalty schemes, redundancy options, provision for competency testing (£180 per expert p.a.), CRFP membership (£125 per expert p.a.) and temporary employment of clerks to ‘weed’ the national fingerprint collection (£67,000 per annum for two year until October 2002);
- Transitional Costs - including the introduction of human resource, finance and data protection functions.

Whilst the 90 day scrutiny has allowed the CMRT to consider some of the future funding issues, scope to fully assess the cost implications has been limited. Considering the table showing contingency arrangements at Section 17.11 it would be reasonable to project some of these costs over a four to five year implementation period. A profile of cumulative year on year recurring costs may be as follows:

YEAR 1 Additional Recurring Cost

Staff	• 4 additional Fingerprint Experts and 7 trainees	249483
	• market rate enhancement for 36 experts	108000
	• competency testing and CRFP membership for 36 experts	10980
	• temporary weeding clerks	67000
	• Head of Scottish Fingerprint Service (replacing Chief Inspector)	5418
	• SCRO Personnel Manager	24000
	• SCRO Finance Manager	24000
	• SCRO Data Protection	18000
Year 1 Additional Recurring Costs		506881
Apportioned to Scottish Executive		253440

This figure does not allow for costs associated with management consultancy, personnel consultancy, a space audit of Pacific Quay or redistribution of AFR terminals (on an interim basis), all of which would be anticipated in Year 1.

YEAR 2 Additional Recurring Cost

Year 1 additional recurring costs (carried forward)		506881
Staff	• 10 additional Fingerprint Experts and 7 trainees	336831
	• market rate enhancement for 10 experts	30000
	• competency testing and CRFP membership for 10 experts	3050
Year 2 Additional Recurring Costs		876762
Apportioned to Scottish Executive		438381

This figure does not allow for redevelopment of Pacific Quay to accommodate the increasing staff levels or the development of a chemical processing lab (if deemed appropriate), both of which would be anticipated in Year 2.

YEAR 3 Additional Recurring Cost

Year 2 additional recurring costs (carried forward)		809762
*[note temp weeding clerks cost ends in year 2 reducing cost by £67000pa]		
Staff	<ul style="list-style-type: none"> • 8 additional Fingerprint Experts and 5 trainees • market rate enhancement for 8 experts • competency testing and CRFP membership for 8 experts 	259311 24000 2440
Year 3 Additional Recurring Costs		1095513
Apportioned to Scottish Executive		547756

This figure does not allow for relocation of AFR terminals from Forces to Pacific Quay or the strategic development of palm capture and search facilities, both of which would be anticipated in Year 3.

YEAR 4 Additional Recurring Cost

Year 3 additional recurring costs (carried forward)		1095513
Staff	<ul style="list-style-type: none"> • 3 additional Fingerprint Experts and 5 trainees • market rate enhancement for 3 experts • competency testing and CRFP membership for 3 experts 	150126 9000 915
Year 4 Additional Recurring Costs		1255554
Apportioned to Scottish Executive		627777

This figure does not allow for relocation of the remaining AFR terminals from Forces to Pacific Quay, which would be anticipated in Year 4.

With regard to these calculations the following points are of note:

- A similar profile would emerge for a centralised model with distributed delivery. The additional annual funding of some £225,000, associated with that model over a fully centralised model, being incurred progressively over the four to five year period.
- Whilst market rate enhancements have been provided for throughout, it is not certain that such inducements would be required as the service continues to grow.
- In advance of detailed arrangements for closure of bureau, it is uncertain as to which year Forces would experience offsetting savings through redistribution of funding.