



Meeting	SPA Resources Committee
Date	18 December 2024
Location	Video Conference
Title of Paper	Period 7 Financial Monitoring Report
Presented By	Lynn Brown, Head of Corporate Finance
Recommendation to Members	For discussion
Appendix Attached	Yes: Appendix A – Period 7 Finance Report

PURPOSE

The purpose of this report is to provide Members with an update on the financial position of the SPA and Police Scotland for period 7 of the financial year 2024/25.

Members are invited to discuss the contents of the report and appendix.

1. BACKGROUND

- 1.1 The Board approved the 2024-25 annual budget on 21 March 2024 which set out the spending plans for Police Scotland, Forensic Services and SPA Corporate regarding revenue, capital, and reform for the coming financial year.
- 1.2 The Authority received a core revenue funding increase of £75.7m (5.6%), £18.4m of which was required to meet the additional cost of the 2023-24 pay award.
- 1.3 Anticipated cost pressures (premises costs, new technology, ill health retirements, injury pensions), inflationary pressures and assumptions for 2024-25 pay have been included within the budget build. The budget report highlighted the key budgeting assumptions that are sensitive to change, and which could result in a material change to the 2024-25 budget. The overall financial position will be monitored and reported throughout the year
- 1.4 The budget allocation for 2024-25 includes a core budget for a maximum of 16,600 officers (plus externally funded additionality e.g. Local Authorities) and police staff at 2023-24 budgeted levels.
- 1.5 A change in the employer pension contribution rates payable has resulted in a short-term benefit for the organisation. As this is a non-recurring benefit, it cannot be used to fund ongoing pressures and will therefore be utilised to fund VR/VER exit packages in 2024-25.
- 1.6 Capital funding of £66.1m (including capital receipts and IFRS 16 adjustments) has been confirmed for 2024-25, representing an uplift of £11.7m (22.1%). While the capital settlement is an improvement on the flat cash of the previous year, it is less than requested through the budget proposal submitted to Scottish Government and as such an element of prioritisation has had to take place.
- 1.7 Similar to previous years, £25.0m has been ring-fenced to support reform and transformation.
- 1.8 Capital and reform allocations have been made in line with the Chief Constables priorities of service delivery against areas of greatest threat, risk and harm, strong investment in digital capabilities, focus on change that most benefit our communities and people and spend to save initiatives.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The Head of Finance provides the routine finance report which outlines the year to date and forecast position for the revenue, capital, and reform budgets.
- 2.2 Appendix A provides the detailed period 7 (P7) finance report.

Revenue

- As previously reported, the Q2 net expenditure forecast is £1.9m over budget, fully funded by GiA funding agreed through Autumn (ABR) and Spring Budget Revision (SBR) transfers.
- The forecast position is very challenging when considered alongside our financial threats, particularly around ongoing pay award negotiations. The position will be closely monitored along with all other threats and opportunities throughout the remainder of the financial year. These are detailed on the threats and opportunities summary at page 17 (Appendix A).
- The year-to-date position is £1.8m under Q2 forecast, consisting of a mixture of real and timing variances: underspends in non-pay costs (£1.5m) and staff costs (£0.2m); an over-recovery of income (£0.5m) offset by an overspend in officer costs (£0.4m).
- Year to date underspends and slippage materialising in the Q2 forecast will be used to manage any threats materialising.
- The year-to-date actual position versus budget is an underspend of £8.3m.

Capital

- The year-to-date position is running £0.4m behind the Q2 forecast.
- As previously reported, the capital forecast at Q2 is £69.4m, £3.3m (fully funded) above the budget position of £66.1m. Budgeted slippage of £6.5m had been fully identified by the end of Q2.
- As agreed at the outset of the financial year any additional slippage will be allocated to airwave replacement, subject to other emerging requirements.

- An overallocation of up to £22m was approved by Capital Investment Group in October to be managed across financial years to mitigate the potential risk of further slippage in 2024-25, an element of which is to cover the commitment to support airwave replacement. These are highlighted in Appendix A (page 13).
- Committed and uncommitted spend will continue to be monitored throughout the year and tracking of these is highlighted in Appendix A (page 13).
- The year-to-date capital spend at P7 is under budget by £16.7m (net of slippage).
- We are anticipating additional IFRS16 ROU assets expenditure due to recent higher-than-expected rental increases in a few properties. This expenditure will be offset with additional SBR funding resulting in a net neutral position.

Reform

- The year-to-date position is running £0.2m behind the Q2 forecast.
- As previously reported, the reform forecast at Q2 of £25.1m, £0.1m (fully funded) above the budget position of £25.0m.
- The Q2 reform forecast has resulted in the reduction of full year slippage of £5.4m, bringing it down to £0.1m from the original budgeted amount of £5.5m.
- Committed and uncommitted spend will continue to be monitored throughout the year and tracking of these is highlighted in Appendix A (page 15).
- The year-to-date reform spend at P7 is over budget by £0.3m (net of slippage).

3. FINANCIAL IMPLICATIONS

3.1 The financial implications are set out in detail within the report.

4. PERSONNEL IMPLICATIONS

4.1 There are no personnel implications in this report.

5. LEGAL IMPLICATIONS

5.1 There are no legal implications in this report.

6. REPUTATIONAL IMPLICATIONS

6.1 Failure to maximise funding or control costs may lead to operational or financial consequences likely to harm the reputation of Police Scotland and the SPA.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications in this report.

8. COMMUNITY IMPACT

8.1 There are no community implications in this report.

9. EQUALITIES IMPLICATIONS

9.1 There are no equality implications in this report.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications in this report.

RECOMMENDATIONS

Members are invited to discuss the contents of the report and note the Period 7 financial position at Appendix A.



POLICE
SCOTLAND
POILEAS ALBA

SCOTTISH POLICE
AUTHORITY

Finance

Corporate Finance team

Appendix A

Finance report

Period 7 2024/25



Revenue budget

Finance dashboard

Period 7 2024/25
Year to Oct 2024

Revenue

A	A	A
Aug	Sep	Oct

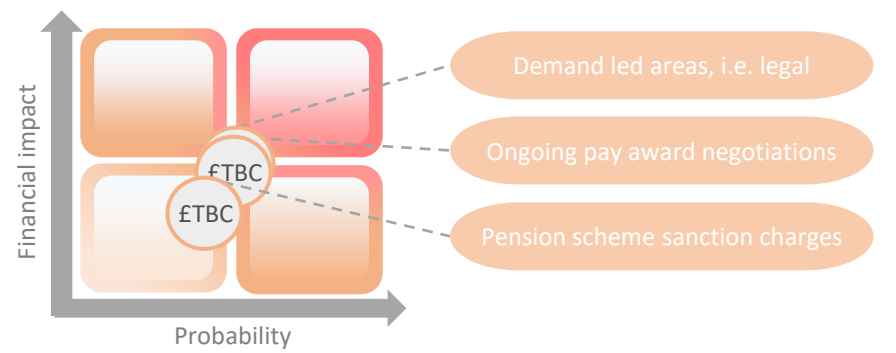
- YTD £8.3m under budget however the key focus for this report is performance versus Q2 forecast
- YTD £1.8m under Q2 forecast
- FY Q2 forecast in line with funding

Revenue variance (£m)

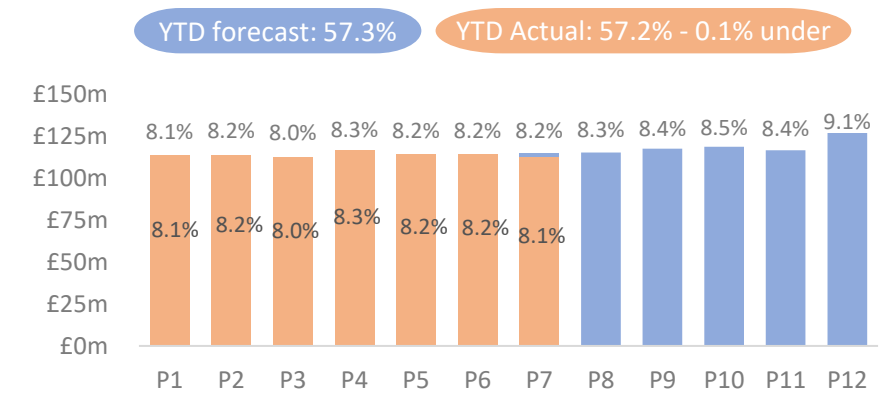
	YTD actual v forecast	FY FC v Budget
Police Scotland	1.8	-2.3
Forensic Services	0.0	0.0
SPA corporate	0.0	0.4
Total	1.8	-1.9

Key for variances: green = underspend red = overspend

Threats



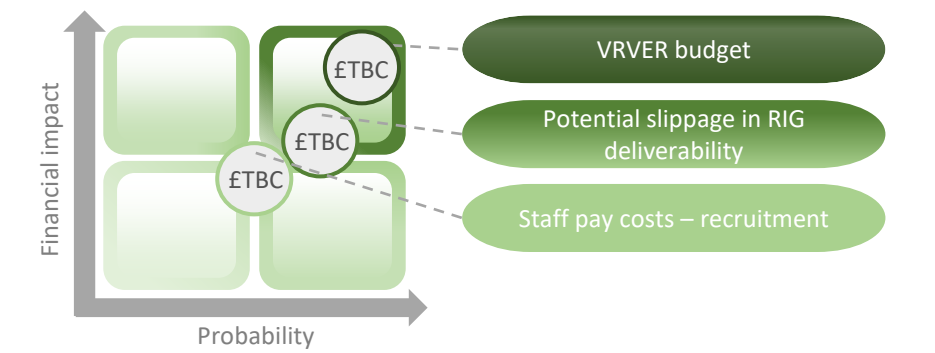
Revenue forecast spend profile (£m)



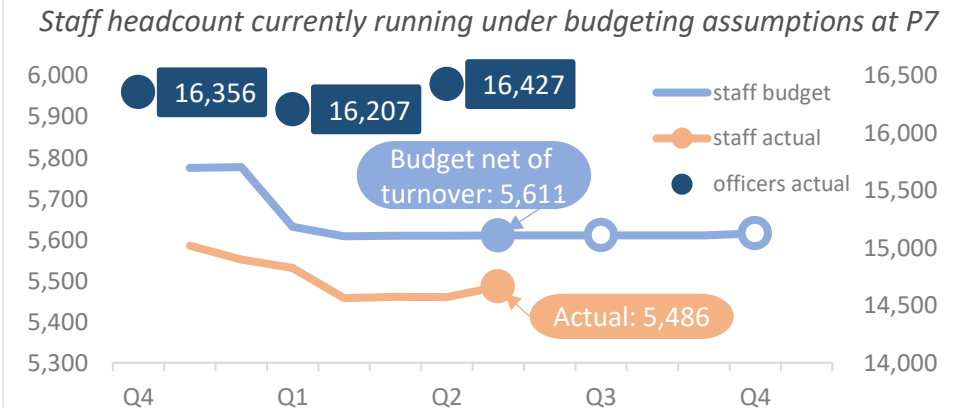
Revenue: YTD actual v Q2 forecast (£m)



Opportunities



People numbers (FTE) – Revenue Budget



Revenue

(service area)

Budget / Forecast deliverability status is amber

Year to date under forecast by £1.8m

Q2 net expenditure forecast in line with funding

Budget to forecast variances were highlighted as part of Q2 FC and are shown in the graph

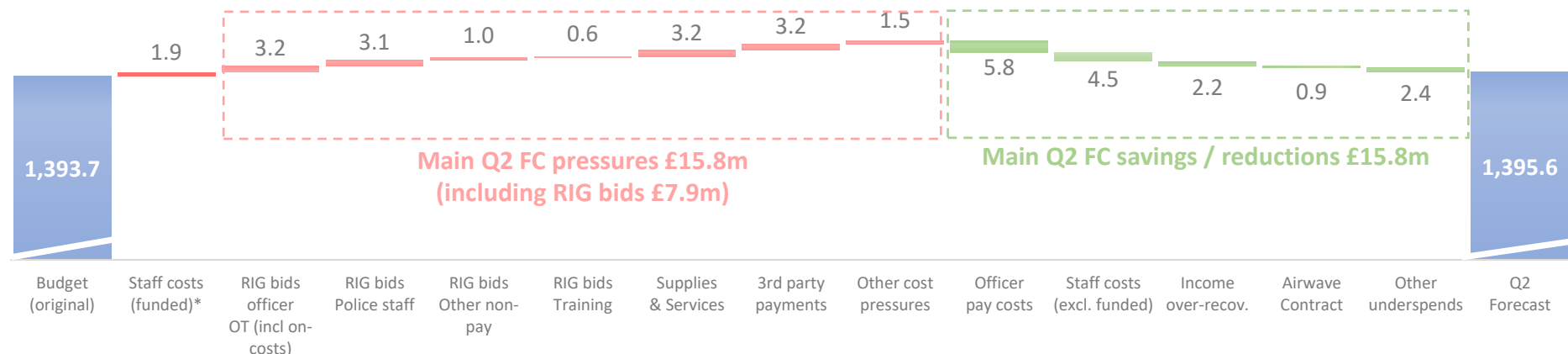
Year to date lower than Q2 FC (£1.8m)

- Full year Q2 FC position in line with funding - £1.9m over budget supported by expected additional grant-in-aid ABR and SBR funding £1.9m.
- The year-to-date position is £1.8m under Q2 FC, consisting of a mixture of real and timing variances: underspends in non-pay costs (£1.5m) and staff costs (£0.2m); an over-recovery of income (£0.5m) offset by an overspend in officer costs (£0.4m).
- The forecast position is very challenging when considered alongside our financial threats, particularly around ongoing pay award negotiations. The position will be closely monitored along with all other threats and opportunities throughout the remainder of the financial year.
- Year to date underspends and slippage materialising in the Q2 forecast will be used to manage any threats.

Revenue variance by area (£m)

	Year to date			Full year		
	Q2 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC* £m	Var. £m
Police Scotland	771.4	769.6	1.8	1,344.2	1,346.5	(2.3)
Forensic Services	25.5	25.5	0.0	44.0	44.0	0.0
SPA Corporate	2.7	2.7	0.0	5.5	5.1	0.4
Total expenditure	799.6	797.8	1.8	1,393.7	1,395.6	(1.9)
Funding						
GiA - core				1,393.7	1,393.7	0.0
GiA - other				0.0	1.9	1.9
				1,393.7	1,395.6	1.9

Detailed budget to FY Q2 forecast (£m)*



* £1.9m funded through Autumn and Spring Budget Review

Revenue

(service area)

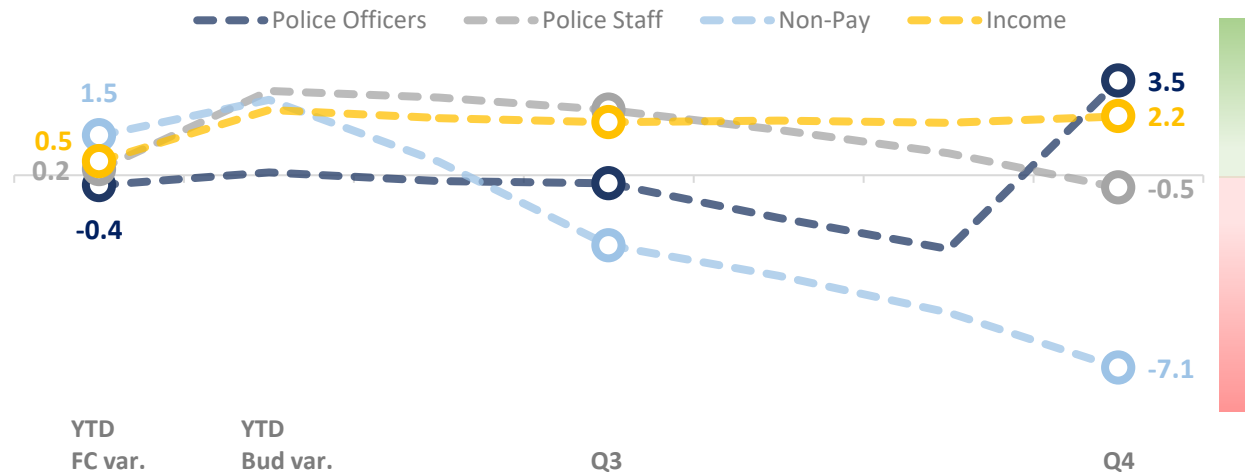
Year to date under budget by £8.3m

Revenue variance by spend type (£m)

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	%	Bud £m	Q2 FC* £m	Var. £m	%
Police officers	538.2	538.6	(0.4)	(0.1%)	929.8	926.3	3.5	0.4%
Police staff	166.4	166.2	0.2	0.1%	289.2	289.7	(0.5)	(0.2%)
Non-pay	123.9	122.4	1.5	1.2%	219.5	226.6	(7.1)	(3.2%)
Income	(28.9)	(29.4)	0.5	1.7%	(44.8)	(47.0)	2.2	4.9%
Total	799.6	797.8	1.8	0.2%	1,393.7	1,395.6	(1.9)	(0.1%)

* Includes pressures of £1.9m funded through Autumn and Spring Budget Review

Movement: YTD variance to FY FC variance (£m)



Revenue variances

- The tracker on page 8 shows the key areas included in the Q2 forecast that will be closely monitored due to their risk around financial deliverability.
- Variances are explained in detail on pages 6 and 7.

Revenue variances profile

- Police officer favourable variance uplift at the end of the year represents estimated savings arising from the differential between the budgeted establishment of 16,600 and the original officer numbers profile provided by SWP/LTD in terms of projected attrition and probationer intakes (£7.0m) offset by RIG approved overtime (£3.2m).
- Police staff costs moves to an adverse variance position over the remaining months of the year, impacted mainly by approved RIG bids (£3.1m).
- Non-pay costs profile projects an increasing adverse variance over the remaining months of the year due to increase in third party payments (£4.2m), supplies and services (£1.7m), premises costs (£1.4m), approved RIG bids (£1.6m) and other items (£0.6m).
- Income has no significant profile change in variances over the year.

Revenue

(spend type)

Police officers variance by spend type (£m)

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	Var. %	Bud £m	Q2 FC £m	Var. £m	Var. %
Police officer pay	506.0	506.3	(0.3)	(0.1%)	873.0	868.0	5.0	0.6%
Overtime - core	12.7	12.9	(0.2)	(1.6%)	21.9	24.7	(2.8)	(12.8%)
Overtime – non-core	2.1	2.1	0.0	0.0%	3.4	3.5	(0.1)	(2.9%)
Allowances	2.9	2.9	0.0	0.0%	5.3	4.9	0.4	7.5%
Pensions	14.5	14.4	0.1	0.7%	26.2	25.2	1.0	3.8%
Total	538.2	538.6	(0.4)	(0.1%)	929.8	926.3	3.5	0.4%

Police staff variance by spend type (£m)

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	Var. %	Bud £m	Q2 FC £m	Var. £m	Var. %
Staff pay and allowances	164.5	164.3	0.2	0.1%	285.3	286.1	(0.8)	(0.3%)
Overtime	1.9	1.9	0.0	0.0%	3.6	3.3	0.3	8.3%
Special constables	0.0	0.0	0.0	0.0%	0.3	0.3	0.0	0.0%
Total	166.4	166.2	0.2	0.1%	289.2	289.7	(0.5)	(0.2%)

Police officer costs

- Overspends in police officer pay and allowances (£0.3m) and core overtime costs (£0.2m) offset by underspend in police officer pensions (£0.1m).

Police staff costs

- Police staff (£0.2m) under due to FTE running below forecast assumptions.

Revenue

(spend type)

Non-pay variance by spend type (£m)

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Other employee	9.9	9.8	0.1	1.0%	21.1	21.7	(0.6)	(2.8%)
Premises	40.7	40.4	0.3	0.7%	72.7	74.0	(1.3)	(1.8%)
Transport	11.3	11.2	0.1	0.9%	19.4	19.2	0.2	1.0%
Supplies & Services	24.0	24.0	0.0	0.0%	39.7	42.5	(2.8)	(7.1%)
ICT	21.1	20.7	0.4	1.9%	37.2	36.7	0.5	1.3%
Administration	6.3	6.4	(0.1)	(1.6%)	10.4	10.2	0.2	1.9%
Third party payments	8.4	8.2	0.2	2.4%	15.6	18.8	(3.2)	(20.5%)
Other costs	2.2	1.7	0.5	22.7%	3.4	3.5	(0.1)	(2.9%)
Total	123.9	122.4	1.5	1.2%	219.5	226.6	(7.1)	(3.2%)

Income variance by type (£m)

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Specific grant funding	(4.5)	(5.1)	0.6	13.3%	(8.4)	(8.4)	0.0	0.0%
Funded officers and staff	(3.5)	(3.1)	(0.4)	(11.4%)	(5.4)	(5.6)	0.2	3.7%
Public fees	(2.8)	(2.9)	0.1	3.6%	(4.7)	(4.9)	0.2	4.3%
Rental and hire	(4.9)	(4.9)	0.0	0.0%	(7.4)	(8.2)	0.8	10.8%
Mutual aid	(0.9)	(0.9)	0.0	0.0%	(0.5)	(1.1)	0.6	120.0%
Services of police	(7.8)	(7.8)	0.0	0.0%	(12.8)	(12.3)	(0.5)	(3.9%)
Seconded officers	(0.7)	(0.7)	0.0	0.0%	(1.1)	(1.3)	0.2	18.2%
Other income	(3.8)	(4.0)	0.2	5.3%	(4.5)	(5.2)	0.7	15.6%
Total	(28.9)	(29.4)	0.5	1.7%	(44.8)	(47.0)	2.2	4.9%

Non-pay

- ICT (£0.4m under) - timing variances mainly relating to licences & subscriptions.
- Premises costs (£0.3m under) - a mixture of timing and real variances; property repairs & maintenance (£0.2m), rent & service charges (£0.2m) offset by overspend in gas utilities (£0.1m).
- Other items (£0.8m under) - timing variances relating to gains on asset disposals (£0.5m) and other costs (£0.3m, net).

Income

- Over-recovery in income - Specific grant funding (£0.6m) and other income (£0.3m) offset by under-recovery of funded officers and staff (£0.4m).

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Tracker

Key risk areas in term of financial deliverability are:

- Officer overtime - RIG
- Police staff costs - RIG

The tracker below shows the RIG approved spend included in the Q2 forecast that will be closely monitored due to their risk around financial deliverability

Expenditure	Detail	Approved bids £m	Headcount approved	YTD Spend £m	Q2 forecast £m	Financial deliverability
Officer overtime (inc. on-costs)	To be managed through overtime management group.	3.4	-	1.0	3.4	
Staffing - divisional uplifts	Corporate Comms, Vetting, Data and Digital, P&D, etc.	2.3	81	0.0	1.0	
Workforce modernisation	Firearms and Explosive Licensing and Investigator roles.	2.4	101	0.0	1.1	
Learning, Training and Development	Delivering a) anti-racist training, b) driver training unit and c) probationer training.	2.5	35	0.0	1.2	
Other items	Wellbeing, risk mitigation investment, data/cyber investment, policing together, ASPs, armed policing, SCD and TSU.	2.5	22	0.2	1.2	
Total RIG investment		13.1	239	1.2	7.9	

Revenue

(further business area detail)

DCC Local Policing

- Overspend in police officer core overtime (£0.4m) and an under-recovery in services of police income (£0.1m) offset by an underspend in non-core overtime (£0.1m),

	£m	FTE
Q2 Forecast	67.0	1,919.2
Actual	67.4	1,923.3
YTD variance	(0.4)	(4.1)
<i>FY variance</i>	<i>1.4</i>	<i>24.5</i>

DCC Corporate

- Underspends in ICT licences & subscriptions (£0.3m), property repairs & maintenance (£0.3m), rent & service charges (£0.1m), ICT maintenance (£0.1m), vehicle fuel (£0.1m) and other costs (£0.2m) offset by overspends in accident damage repairs (£0.1m) and gas utilities (£0.1m).

	£m	FTE
Q2 Forecast	94.4	888.2
Actual	93.5	895.8
YTD variance	0.9	(7.6)
<i>FY variance</i>	<i>1.8</i>	<i>51.5</i>

DCC Crime & Op Support

- Over-recovery in services of police income (£0.1m) and underspend in police staff costs (£0.1m) offset by an overspend in training costs (£0.1m).

	£m	FTE
Q2 Forecast	45.6	1,318.3
Actual	45.5	1,299.4
YTD variance	0.1	18.9
<i>FY variance</i>	<i>(0.5)</i>	<i>12.7</i>

Corporate centre

- Overspends in police officer injury pensions (£0.4m), officer pay and allowances (£0.3m) offset by gains on disposals of property assets (£0.4m) and underspend in CAY ongoing costs (£0.1m).

	£m	FTE
Q2 Forecast	532.0	16,444.1
Actual	532.2	16,442.2
YTD variance	(0.2)	1.9
<i>FY variance</i>	<i>(1.5)</i>	<i>128.0</i>

DCC Professionalism, Strategy and Engagement

- Over-recovery of income (£0.4m); underspends in police officer ill-health pensions (£0.5m), liability claims (£0.2m), police officer overtime contingency (£0.2m), police staff costs (£0.1m), training costs (£0.1m) and other costs (£0.1m) offset by grant payments (£0.2m).

	£m	FTE
Q2 Forecast	32.4	729.9
Actual	31.0	725.9
YTD variance	1.4	4.0
<i>FY variance</i>	<i>(3.5)</i>	<i>(32.8)</i>

Forensics services & SPA corporate

- Forensic Services (in line with forecast) - no material variances.
- SPA Corporate (in line with forecast) - no material variances.

	£m	FTE
Q2 Forecast	28.2	624.0
Actual	28.2	626.0
YTD variance	0.0	(2.0)
<i>FY variance</i>	<i>0.4</i>	<i>17.2</i>

1 Actual 16,442.2 FTE is made up of 16,426.7 FTE for police officers as per last externally reported quarter end 30 September 2024 and 15.5 FTE for police staff supernumerary.

Capital and Reform budgets

Finance dashboard

Period 7 2024/25
Year to Oct 2024

Capital

A	A	A
Aug	Sep	Oct

- YTD £16.7m under budget*
- YTD £0.4m under forecast
- FY Q2 forecast £3.3m over budget (fully funded)

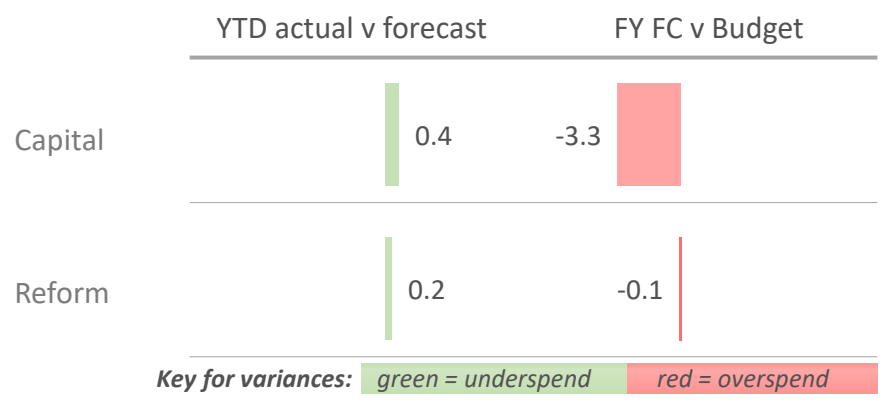
Reform

G	G	G
Aug	Sep	Oct

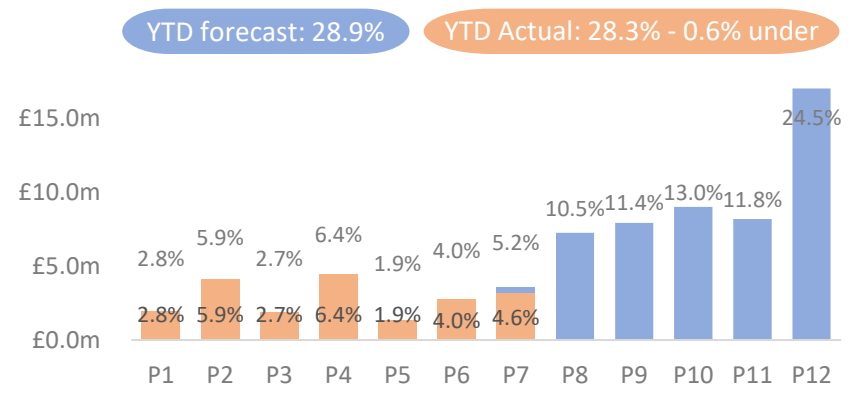
- YTD £0.3m over budget*
- YTD £0.2m under forecast
- FY Q2 forecast £0.1m over budget (fully funded)

*The key focus for this report is performance versus Q2 forecast

Capital and Reform variances (£m)

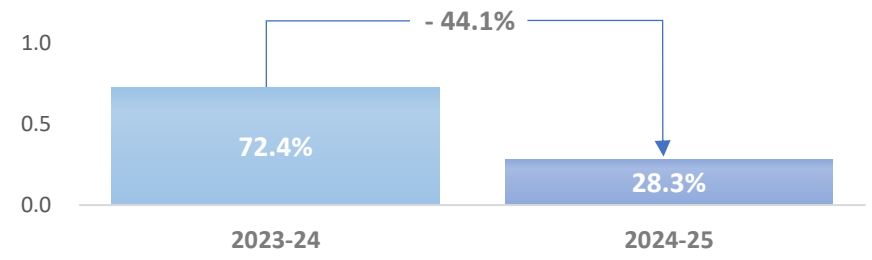


Capital spend profile (£m)



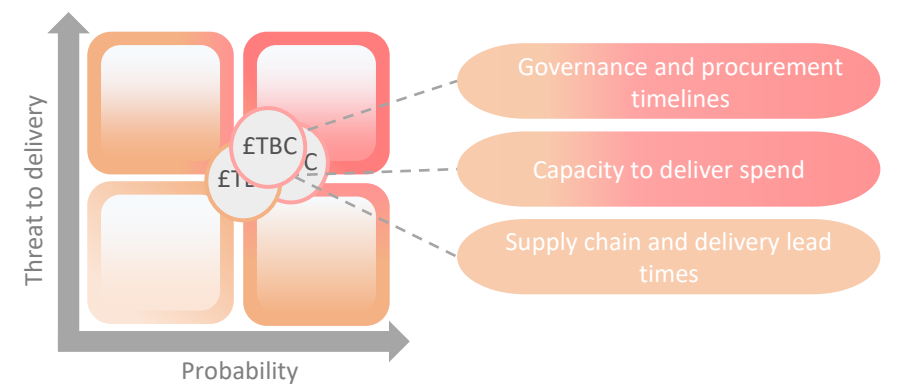
Capital: year to date : % of forecast spent

YTD spend significantly less when compared with last year

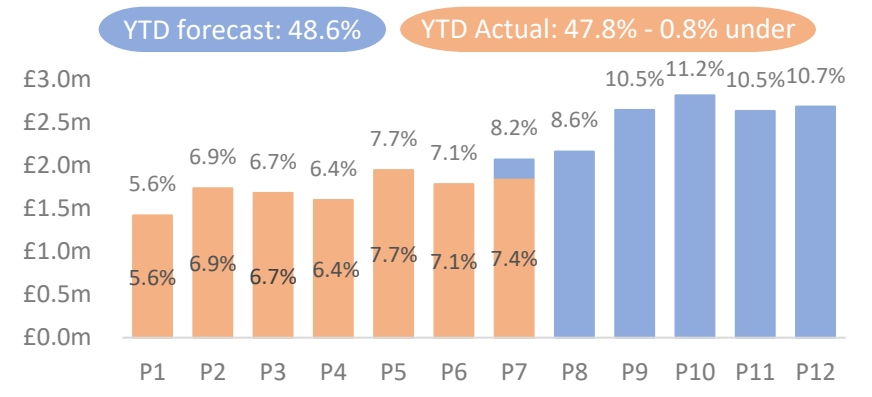


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Threats

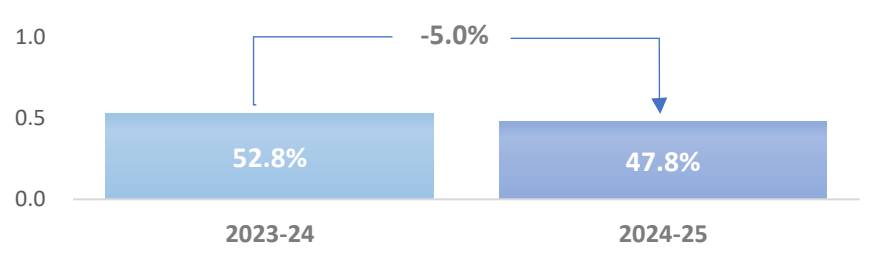


Reform spend profile (£m)



Reform: year to date : % of forecast spent**

YTD slightly lower than in the previous year



**2023-24 forecast at Q2 was reduced to £19.3m versus the current Q2 FC of £25.1m for 2024-25

Capital

Budget / Forecast deliverability remains at amber

- YTD £0.4m under forecast
- FY Q2 forecast £3.3m over budget (fully funded due to additional capital receipts and grants).

Year to date: £0.4m under forecast

- Estates £0.7m under mainly due to slippage in CJSD upgrades and Vigilant House.
- SPE £0.4m over mainly due to capital goods such as workstations and technical infrastructure being delivered earlier than planned.
- Other items £0.1m under (net).

Forecast: £3.3m over budget

- BAU increased by £2.5m mainly due to additional capital bids approved through CIG in July (fleet and airwave) offset partially by an underspend within Estates.
- DEPP programme £5.1m under:
 - £3.8m reduction in BWV due to budget being higher than needed for Digital and Estates works along with a reduction in expected staff capitalisation and device purchases in year.
 - £1.3m reduction (COS phase 2 and 3, DSEG and Data Migration) due to confirmed project plans.
- All slippage has been identified by the end of Q2. As agreed at the outset of the financial year any additional slippage will be allocated to airwave replacement, subject to other emerging requirements.
- An overallocation of up to £22m has been approved by Capital Investment Group to be managed across financial years to mitigate the potential risk of further slippage in 2024-25, an element of which is to cover the commitment to support airwave replacement.

Capital variance by programme (£m)

	Year to date			Full year		
	Q2 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Estates	4.7	4.0	0.7	22.3	17.6	4.7
Digital Div (rolling)	2.9	3.0	(0.1)	10.4	10.9	(0.5)
Digital Div (airwave)	0.0	0.1	(0.1)	5.5	7.7	(2.2)
Fleet	7.4	7.2	0.2	10.6	14.9	(4.3)
SPE	1.1	1.5	(0.4)	4.2	4.8	(0.6)
Weaponry	0.9	0.8	0.1	1.8	1.4	0.4
Forensic services	0.2	0.2	0.0	1.0	1.0	0.0
Total BAU	17.2	16.8	0.4	55.8	58.3	(2.5)
Change:						
DEPP ^①	1.0	1.0	0.0	9.7	4.6	5.1
Other projects	1.8	1.8	0.0	5.7	5.1	0.6
Total change	2.8	2.8	0.0	15.4	9.7	5.7
IFRS ROU assets**	0.0	0.0	0.0	1.4	1.4	0.0
Total before slippage	20.0	19.6	0.4	72.6	69.4	3.2
Slippage	(0.0)	(0.0)	(0.0)	(6.5)	0.0	(6.5)
Total	20.0	19.6	0.4	66.1	69.4	(3.3)
Funding						
GIA - core				64.6	64.6	0.0
Capital receipts				1.5	2.9	1.4
Other				0.0	1.9	1.9
Total				66.1	69.4	3.3

**IFRS16 ROU additional asset expenditure is anticipated due to recent higher-than-expected rental increases in a few properties. This expenditure will be offset with additional SBR funding resulting in a net neutral position.

① DEPP = Digitally Enabled Policing Programme

Capital

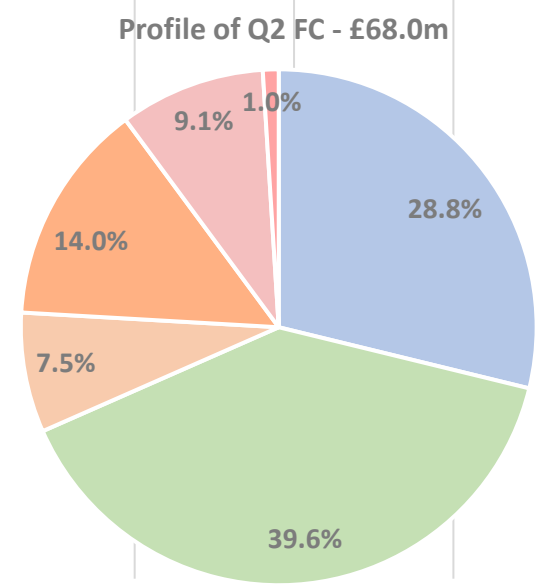
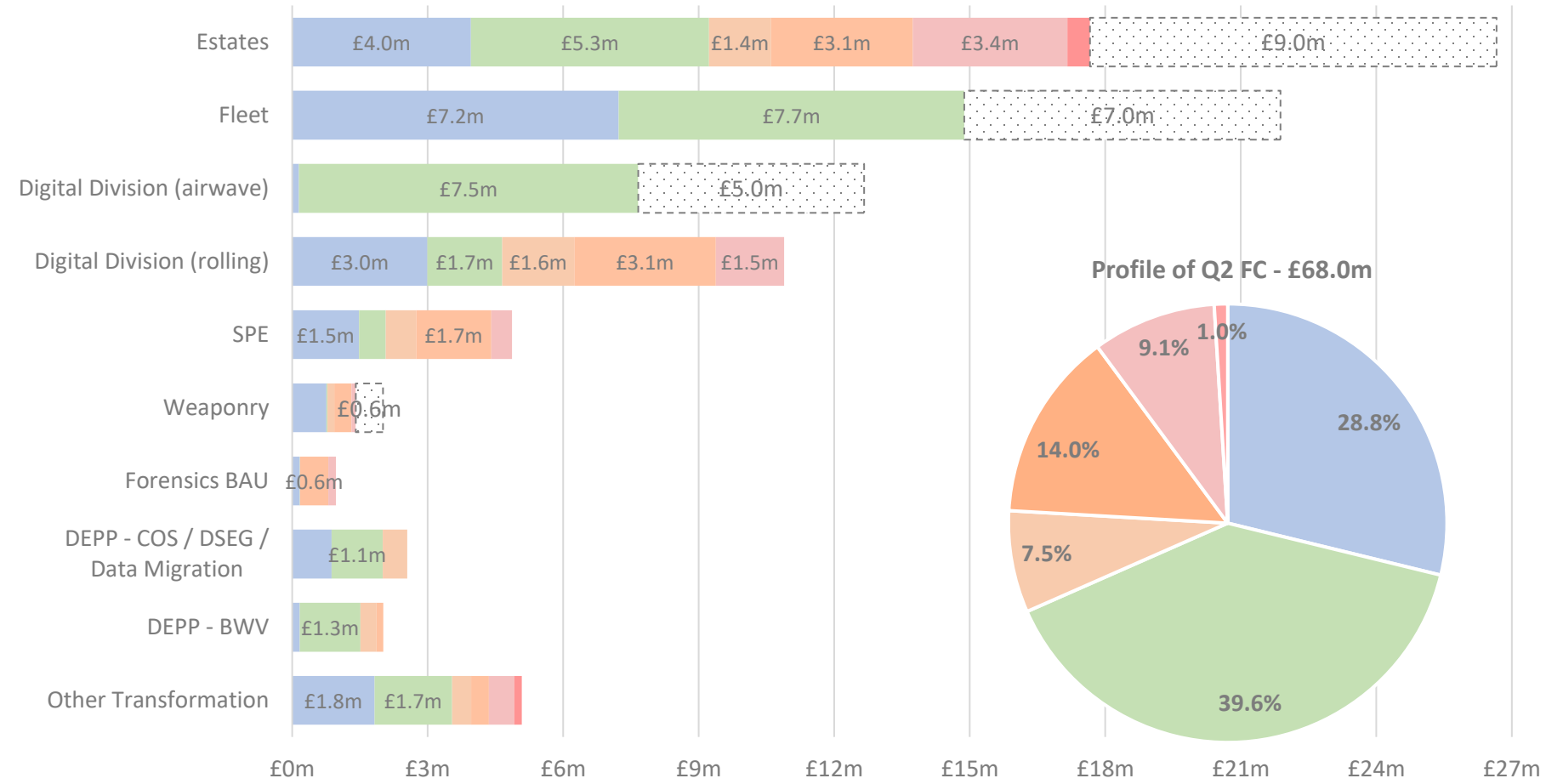
As at Period 7 £46.5m is spent or committed to date.

This leaves £21.5m still to be committed to meet the funded position of £68.0m** (excluding IFRS16 ROU assets £1.4m)

** See pie chart for profile breakdown

Overprogramming allocations due to be ratified at December Capital Investment Group

Capital by categorisation of spend status (£m)



Actuals Green Amber - Contract Awarded Amber - Procurement underway Red - Initial Design Red - Governance Over Programming

Actual spend - £19.6m Committed orders and committed resources - £26.9m Contract awarded but no legal commitment - £5.1m

Procurement process underway not yet complete - £9.5m Initial Design phase procurement not yet engaged - £6.2m

Still to be approved through governance - £0.7m Over Programming - £21.6m (Final allocations to be ratified at CIG)

OFFICIAL

DEPP = Digitally Enabled Policing Programme
 COS = Core Operating Solution
 DSEG = Digital Support and Evolution Group
 BWV = Body Worn Video

Reform

Budget / Forecast deliverability remains at green.

- YTD £0.2m under forecast
- FY Q1 forecast £0.1m over budget (fully funded).

Year to date: £0.2m under forecast

- Mainly due to slippage / delays in programme spend in estates transformation.

Forecast: £0.1m over budget

- £0.1m funded overspend offset with additional grant funding.
- £5.4m slippage identified (see below).
- Q2 forecast variances:
 - Transformational resource £1.0m under due to slippage in recruitment timescales
 - DEPP £0.6m under due to delays in Body Worn Video
 - Policing in a digital world £1.9m under due to governance timelines for Action Fraud and Training
 - Estates Transformation £1.1m under due to focus on National Estates Project in year
 - EPF £0.5m under due to realignment of costs to transformation resource line.
 - Other projects £0.5m over due to various additional costs such as recruitment campaign and three-year business plan.

£0.1m of slippage to be delivered

- £5.1m of slippage identified to date, £0.1m to be managed down across the remainder of the year.

Reform variance by work stream (£m)

	Year to date			Full year		
	Q2 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Transformation resource	8.2	8.3	(0.1)	15.6	14.6	1.0
Estates transformation	0.8	0.6	0.2	3.3	2.2	1.1
Policing in a digital world	0.0	0.0	0.0	2.9	1.0	1.9
EPF ①	1.3	1.4	(0.1)	3.6	3.1	0.5
DEPP ②	0.0	0.0	0.0	0.9	0.3	0.6
MC&E ③	0.3	0.3	0.0	0.8	0.6	0.2
Digital Division	0.2	0.1	0.1	0.8	0.7	0.1
DDD ④	0.3	0.2	0.1	0.7	0.5	0.2
LPP ⑤	0.0	0.0	0.0	0.4	0.3	0.1
P&D Programme	0.2	0.2	0.0	0.3	0.2	0.1
Other projects	0.9	0.9	0.0	1.2	1.7	(0.5)
Total before slippage	12.2	12.0	0.2	30.5	25.2	5.3
Slippage	(0.0)	(0.0)	(0.0)	(5.5)	(0.1)	(5.4)
	12.2	12.0	0.2	25.0	25.1	(0.1)
Contribution from Revenue Budget				(5.0)	(5.0)	(0.0)
Total				20.0	20.1	(0.1)
Funding						
GIA - core				20.0	20.0	0.0
Other grant funding				0.0	0.1	0.1
				20.0	20.1	0.1

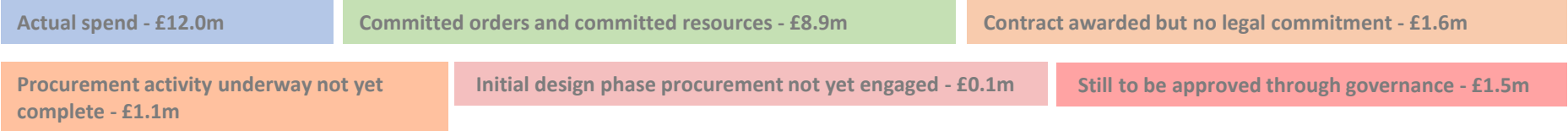
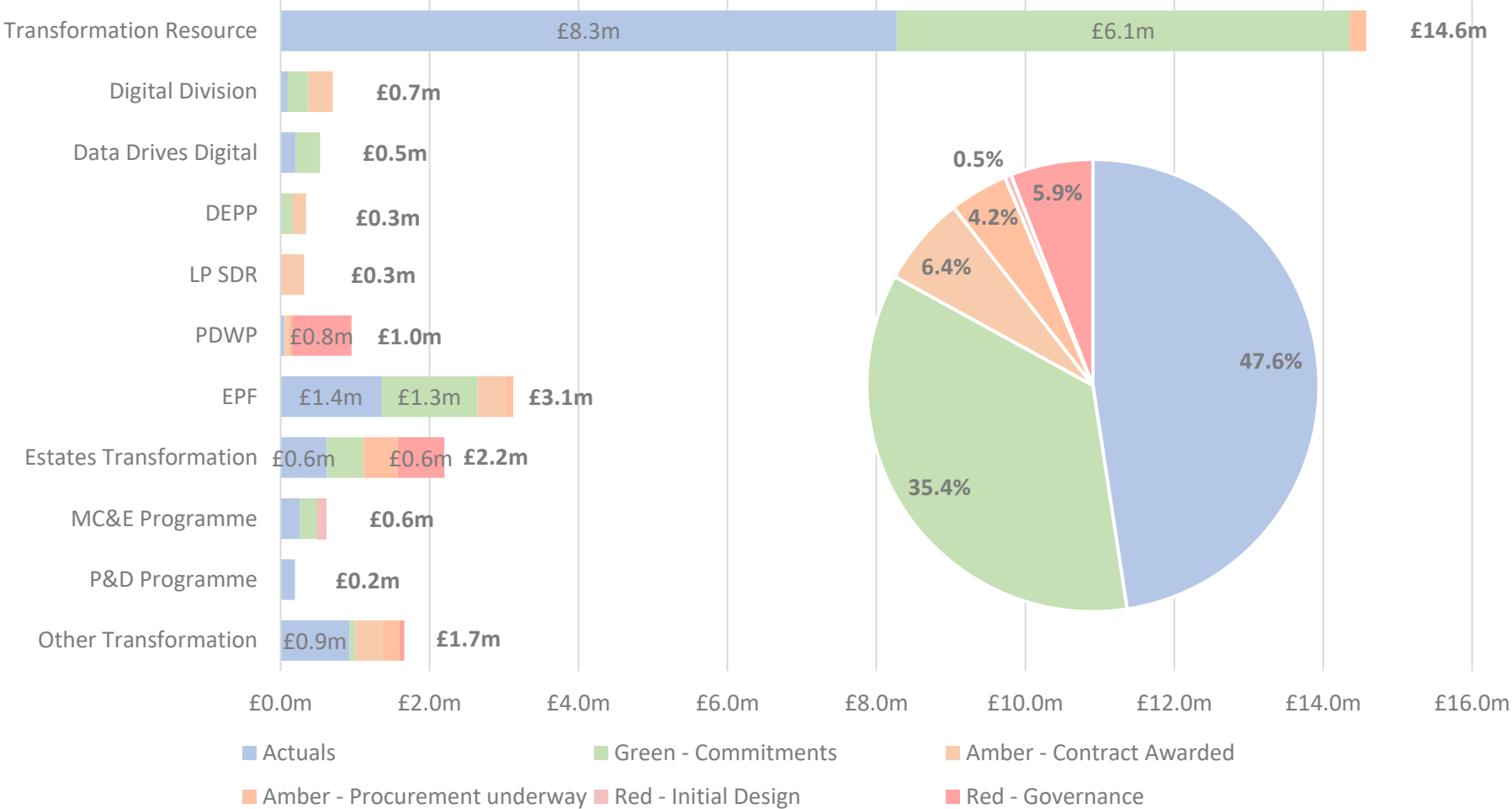
① EPF = Enabling Policing for the Future
 ② DEPP = Digitally Enabled Policing Programme
 ③ MC&E = Modern Contact & Engagement
 ④ DDD = Data Drives Digital
 ⑤ LPP = Local Policing Programme

Reform

As at Period 7 £20.9m is spent or committed to date.

This leaves £4.2m still to be committed to meet the funded position of £25.1m.

Reform by categorisation of spend status (£m) – Total £25.2m (before slippage)



OFFICIAL

DEPP = Digitally Enabled Policing Programme
 LPP = Local Policing Programme
 PDWP = Policing in a Digital World Programme
 EPF = Enabling Policing for the Future
 MC&E = Modern Contact & Engagement

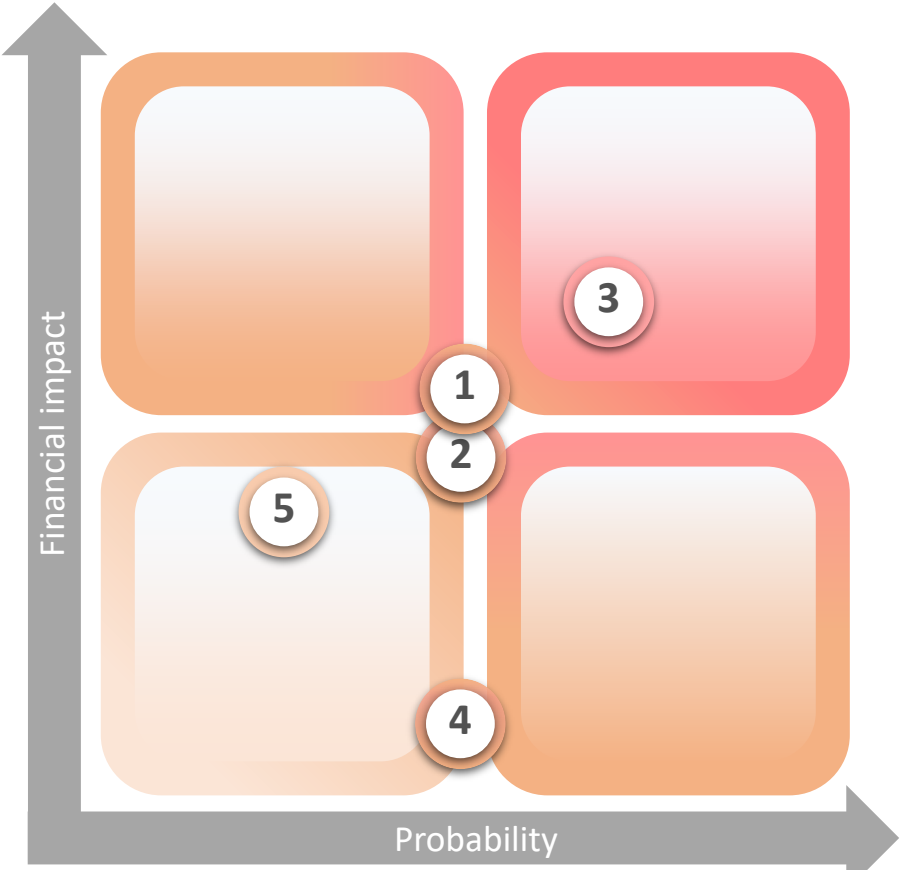
Risk Analysis

Risk analysis

The revenue and capital budgets / forecasts is carrying further risks that may materialise.

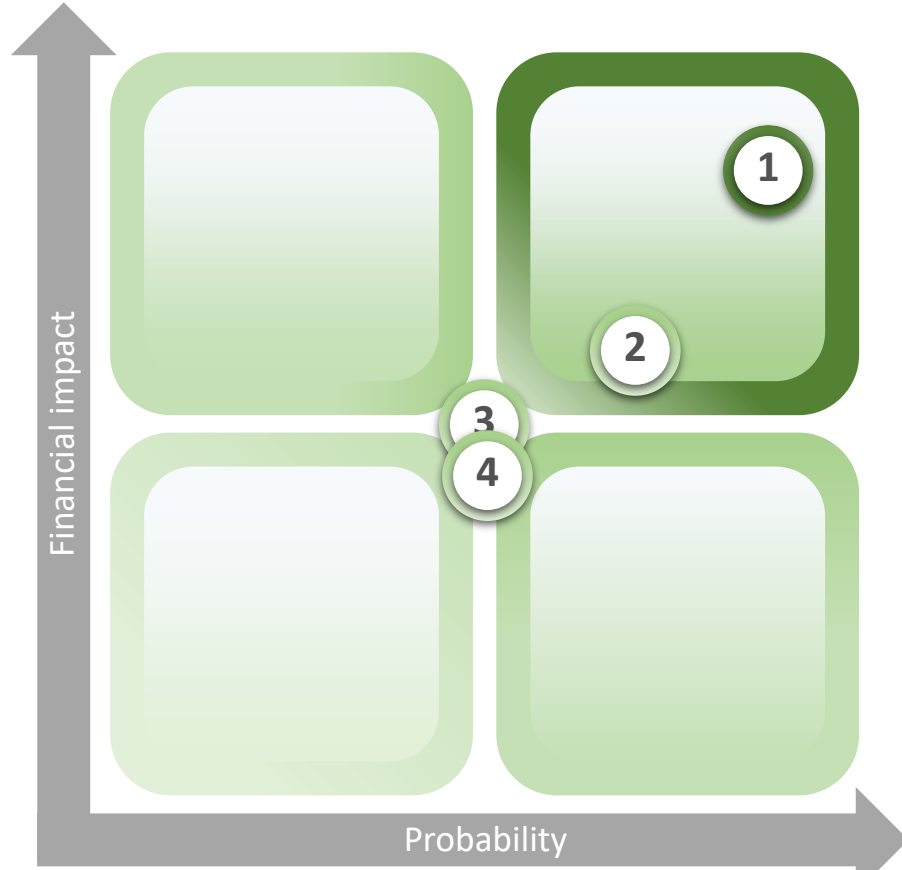
Threats and opportunities risks will continue to be monitored in Q3.

Threats



1. Demand led areas (e.g. legal) - budget has been set based on assumptions around demand and volume however costs may exceed budget available based on actual demand in year.
2. Pay costs - various pay assumptions have been made with regards to pay award.
3. Capital - risk of potential further slippage, governance and procurement timelines, supply chain and delivery lead times and organisational capacity.
4. Legislation – no provision included for new legislation - budget assumes that such pressures will be fully funded.
5. Officer pension scheme sanction charges in connection with Police Pension Scheme and Remedy rectification.

Opportunities



1. VR / VER exits costs - Q2 forecast assumes that the total VR/VER budget will be utilised by 31 March 2025.
2. Revenue Investment Group approved bids included in the Q2 forecast is based costs as provided by each area. There is potential for slippage in deliverability of these bids.
3. Staff workforce - various pay assumptions have been made with regards to headcount, attrition which may be impacted by recruitment plans.
4. Reform expenditure - spend to date of £12.0m is £1.8m higher than at the same point last year but still requires £13.1m in the last five months to deliver forecast.