



Agenda Item 3.1

<b>Meeting</b>	<b>SPA Resource Committee</b>
<b>Date</b>	<b>19 November 2024</b>
<b>Location</b>	<b>Video Conference</b>
<b>Title of Paper</b>	<b>Q2 Financial Monitoring Report</b>
<b>Presented By</b>	<b>Lynn Brown, Head of Corporate Finance</b>
<b>Recommendation to Members</b>	<b>For Discussion</b>
<b>Appendix Attached</b>	<b>Yes – Appendix A – Q2 Finance Report</b>

**PURPOSE**

The purpose of this report is to provide Members with an update on the financial position of the SPA and Police Scotland for Quarter Two (Q2) of the financial year 2024-25.

Members are invited to discuss the contents of the report.

## 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

2.1.1 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 Quarter two (Q2) finance report.

### **Revenue**

- 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.
- There are a number of significant offsetting variances that form part of the Q2 forecast. The main underspends (£15.8m) relate to Police Officer pay costs (£5.8m) and Police Staff pay costs (£4.5m) as both officer and staff numbers are running below the budgeting assumptions; over-recovery of income (£2.2m) and reduction in other costs (£3.3m).
- Against these underspends, there is an increase in expenditure (£7.9m) relating to bids approved by the Revenue Investment Group (RIG) predominately supporting overtime, staffing divisional uplifts, workforce modernisation, learning training & development, and other items; additional non-pay costs (£7.9m - supplies & services £3.2m, third-party payments £3.2m) and other cost pressures (£1.5m).
- A number of threats and opportunities are being monitored, some of which may crystallise in the Q3 forecast. These are detailed on the revenue tracker at page 8 and the threats and opportunities summary at page 17 (Appendix A).
- The year-to-date actual position versus budget is an underspend of £6.3m, explained by underspends in police staff costs (£2.5m), non-pay (£2.4m), over-recovery of income (£1.7m) offset by an overspend in police officer costs (£0.3m).

## **Capital**

- The capital forecast at Q2 is £69.3m, £3.2m above the budget position of £66.1m.
- This forecast overspend is fully funded and primarily compensated by an increase in capital receipts (£1.4m) and other capital grants receivable (£1.8m).
- Budgeted slippage of £6.5m has been identified by the end of Q2, mainly due to forecast underspends in the Digitally Enabled Policing Programme (DEPP) £5.2m, estates (£4.7m), additional funding (£3.2m) mentioned above and other forecast adjustments (£0.4m, net) offset by additional BAU capital bids (£7.0m) approved through CIG in July (fleet £4.0m, airwave £2.0m, specialist policing equipment £0.7m and digital rolling replacement £0.3m).
- In order to mitigate against potential risk of further slippage in 2024-25, an overallocation of up to £22.0m has been approved by CIG in October to be managed across financial years.
- Committed and uncommitted spend will continue to be monitored throughout the year and tracking of these is highlighted in Appendix A.
- The year-to-date capital spend at P6 is under budget by £15.6m (net of slippage).
- The underspend of £15.6m is mainly due to: estates (£8.3m) slippage for sub-contractors not ready to commence £6.1m and delays in transformation type spend £2.2m whilst the focus has been progressing in-flight projects from last year; digital division (£2.6m) under due to various timelines extending including mobility, laptop refresh and storage; fleet (£2.3m) under due to minor delays in the delivery of vehicles that are within the UK; and DEPP (£2.4m) under due to budget being higher than needed for COS phase 3 / DSEG and Body Worn Video.
- 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 reform forecast at Q2 of £25.1m, £0.1m (fully funded) above the budget position of £25.0m.
- The Q1 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.
- Reduction in full year slippage has been achieved due to policing in a digital world training and capability (£1.9m) under due to delay in the business case; estates transformation (£1.1m) due to focus on national estates project; transformation resource (£1.0m) under due to slippage in recruiting timescales; DEPP (£0.6m) under due to delays in body worn video and other items net (£0.8m).
- Committed and uncommitted spend will continue to be monitored throughout the year and tracking of these is highlighted in Appendix A.
- The year-to-date reform spend at P6 is over budget by £0.4m (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 asked to note the year-to-date and Q2 forecast position for revenue, capital, and reform at appendix A.



**POLICE**  
**SCOTLAND**  
POILEAS ALBA



**SCOTTISH POLICE**  
**AUTHORITY**  
ÙGH DARRAS POILIS NA H-ALBA

**Finance**

Corporate Finance team

# Appendix A

# Finance report

## Quarter 2 2024/25



# Revenue budget



# Finance dashboard

Q2 2024/25

Year to Sept 2024

**Revenue**

A	A	A
Jul	Aug	Q2

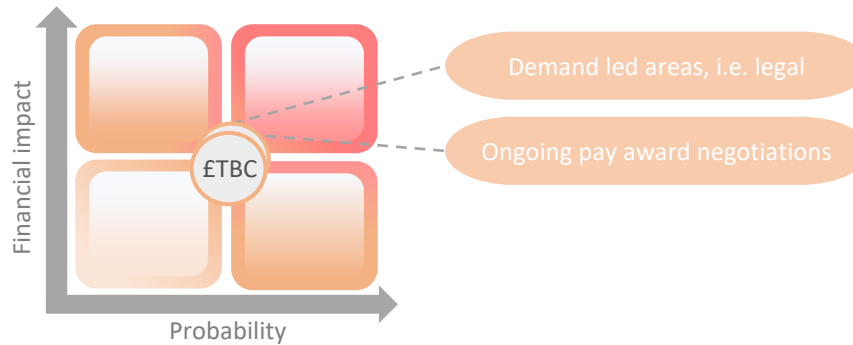
- YTD £6.3m under budget
- FY Q2 forecast in line with funding

## Revenue variance (£m)

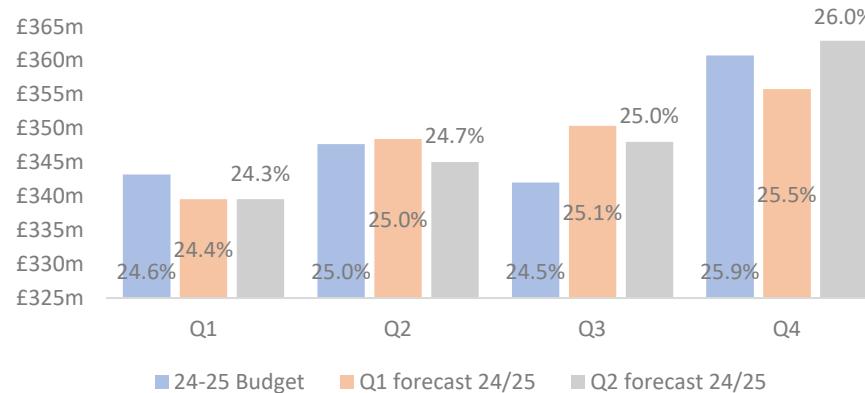
	YTD actual v budget	FY FC v Budget
Police Scotland	5.8	-2.3
Forensic Services	0.0	0.0
SPA corporate	0.5	0.4
<b>Total</b>	<b>6.3</b>	<b>-1.9</b>

Key for variances: green = underspend red = overspend

## Threats

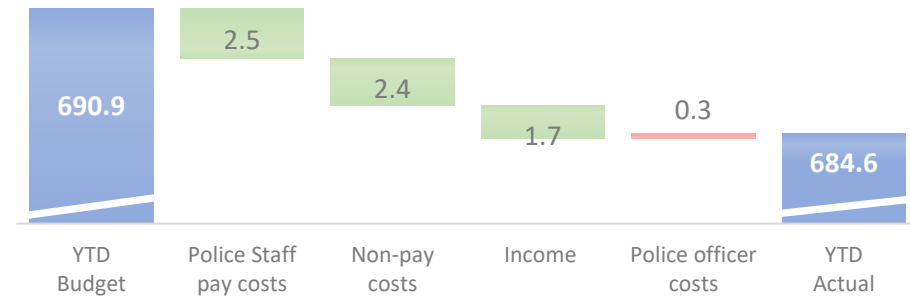


## Revenue spend profile (£m)

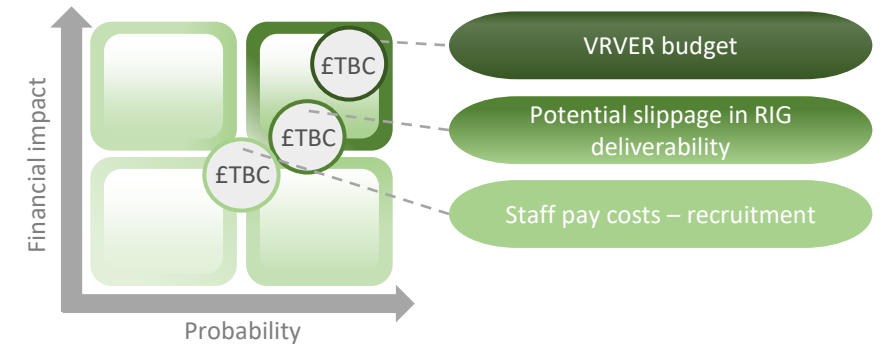


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## Revenue: YTD actual costs £6.3m lower than budget

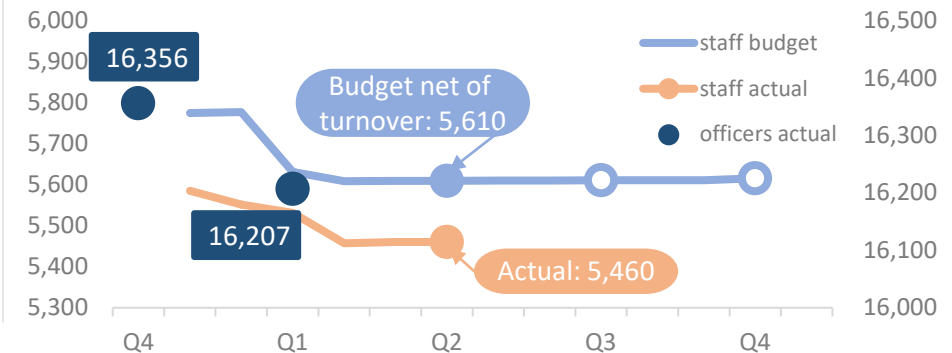


## Opportunities



## People numbers (FTE) – Revenue Budget

Staff headcount currently running under budgeting assumptions at P6



# Revenue

## (service area)

Budget / Forecast deliverability status is amber

Q2 net expenditure forecast £1.9m over budget (funded)

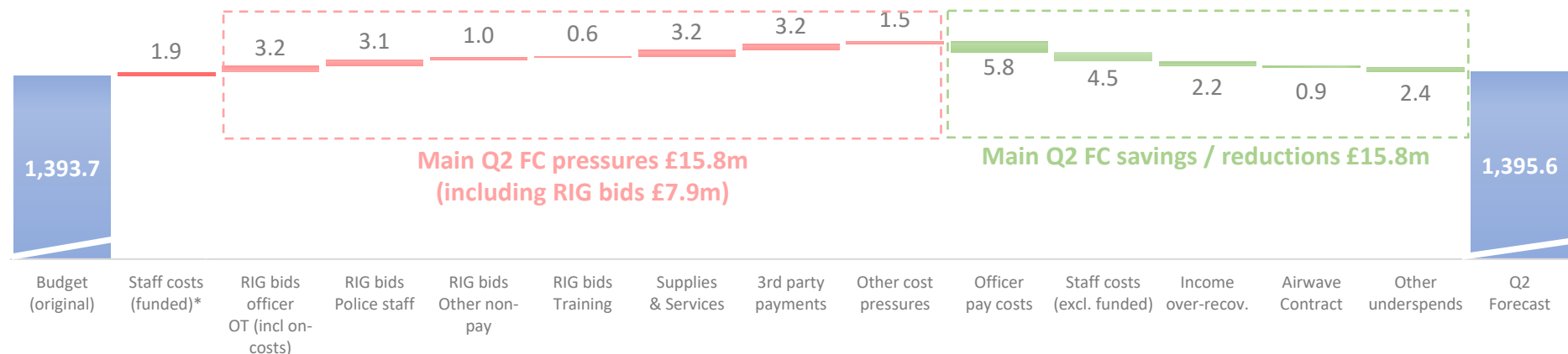
### Total expenditure £1.9m over funding

- 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.
- Revenue Investment Group (RIG) approved bids totalling £13.9m, of which £7.9m is included in the Q2 forecast - Officer overtime & oncosts (£3.2m), Staff costs (£3.1m) and non-pay costs (£1.6m).
- The Q2 forecast assumes that the total VR/VER budget will be utilised by 31 March 2025.
- These areas will be closely monitored alongside all other financial threats and opportunities that may materialise throughout the financial year.

### Revenue variance by area (£m)

	Year to date			Full year		
	Budget £m	Actual £m	Var. £m	Budget £m	Q2 FC* £m	Var. £m
Police Scotland	666.3	660.5	5.8	1,344.2	1,346.5	(2.3)
Forensic Services	21.9	21.9	0.0	44.0	44.0	0.0
SPA Corporate	2.7	2.2	0.5	5.5	5.1	0.4
<b>Total expenditure</b>	<b>690.9</b>	<b>684.6</b>	<b>6.3</b>	<b>1,393.7</b>	<b>1,395.6</b>	<b>(1.9)</b>
<b>Funding</b>						
GiA - core				1,393.7	1,393.7	0.0
GiA - other				0.0	1.9	1.9
				<b>1,393.7</b>	<b>1,395.6</b>	<b>1.9</b>

### 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 £6.3m

### Revenue variance by spend type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	Q2 FC* £m	Var. £m	%
Police officers	460.9	461.2	(0.3)	(0.1%)	929.8	926.3	3.5	0.4%
Police staff	145.3	142.8	2.5	1.7%	289.2	289.7	(0.5)	(0.2%)
Non-pay	108.0	105.6	2.4	2.2%	219.5	226.6	(7.1)	(3.2%)
Income	(23.3)	(25.0)	1.7	7.3%	(44.8)	(47.0)	2.2	4.9%
<b>Total</b>	<b>690.9</b>	<b>684.6</b>	<b>6.3</b>	<b>0.9%</b>	<b>1,393.7</b>	<b>1,395.6</b>	<b>(1.9)</b>	<b>(0.1%)</b>

\* 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 during the second half of the year, impacted mainly by approved RIG bids (£3.1m).
- Non-pay costs profile projects an increasing adverse variance in the second half 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			
	Bud £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Police officer pay	434.6	433.7	0.9	0.2%	873.0	868.0	5.0	0.6%
Overtime - core	8.8	10.8	(2.0)	(22.7%)	21.9	24.7	(2.8)	(12.8%)
Overtime – non-core	1.6	1.8	(0.2)	(12.5%)	3.4	3.5	(0.1)	(2.9%)
Allowances	2.6	2.6	0.0	0.0%	5.3	4.9	0.4	7.5%
Pensions	13.3	12.3	1.0	7.5%	26.2	25.2	1.0	3.8%
<b>Total</b>	<b>460.9</b>	<b>461.2</b>	<b>(0.3)</b>	<b>(0.1%)</b>	<b>929.8</b>	<b>926.3</b>	<b>3.5</b>	<b>0.4%</b>

## Police staff variance by spend type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Staff pay and allowances	143.4	141.1	2.3	1.6%	285.3	286.1	(0.8)	(0.3%)
Overtime	1.8	1.7	0.1	5.6%	3.6	3.3	0.3	8.3%
Special constables	0.1	0.0	0.1	100.0%	0.3	0.3	0.0	0.0%
<b>Total</b>	<b>145.3</b>	<b>142.8</b>	<b>2.5</b>	<b>1.7%</b>	<b>289.2</b>	<b>289.7</b>	<b>(0.5)</b>	<b>(0.2%)</b>

## Police officer costs

- Underspends in police officer pay and allowances (£5.8m) as officer numbers below budgeting assumption of 16,600 and ill health pensions (£1.0m) offset by increase in core overtime costs (£2.8m) and oncosts (£0.4m) for bids as approved through the Revenue Investment Group and non-core overtime (£0.1m).

## Police staff costs

- Police staff (£0.5m) over mainly due to RIG approved bids (£3.1m), staff costs funded by GiA (£1.9m) offset by underspends in budgeted staff costs (£4.2m) and overtime (£0.3m).

# Revenue

(spend type)

## Non-pay variance by spend type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Other employee	9.6	9.1	0.5	5.2%	21.1	21.7	(0.6)	(2.8%)
Premises	34.9	34.8	0.1	0.3%	72.7	74.0	(1.3)	(1.8%)
Transport	9.7	9.4	0.3	3.1%	19.4	19.2	0.2	1.0%
Supplies & Services	19.7	20.3	(0.6)	(3.0%)	39.7	42.5	(2.8)	(7.1%)
ICT	18.7	18.0	0.7	3.7%	37.2	36.7	0.5	1.3%
Administration	5.8	5.3	0.5	8.6%	10.4	10.2	0.2	1.9%
Third party payments	7.9	6.9	1.0	12.7%	15.6	18.8	(3.2)	(20.5%)
Other costs	1.7	1.8	(0.1)	(5.9%)	3.4	3.5	(0.1)	(2.9%)
<b>Total</b>	<b>108.0</b>	<b>105.6</b>	<b>2.4</b>	<b>2.2%</b>	<b>219.5</b>	<b>226.6</b>	<b>(7.1)</b>	<b>(3.2%)</b>

## Income variance by type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Specific grant funding	(4.2)	(3.8)	(0.4)	(9.5%)	(8.4)	(8.4)	0.0	0.0%
Funded officers and staff	(2.7)	(3.0)	0.3	11.1%	(5.4)	(5.6)	0.2	3.7%
Public fees	(2.0)	(2.4)	0.4	20.0%	(4.7)	(4.9)	0.2	4.3%
Rental and hire	(3.7)	(4.3)	0.6	16.2%	(7.4)	(8.2)	0.8	10.8%
Mutual aid	(0.3)	(0.8)	0.5	166.7%	(0.5)	(1.1)	0.6	120.0%
Services of police	(6.9)	(6.7)	(0.2)	(2.9%)	(12.8)	(12.3)	(0.5)	(3.9%)
Seconded officers	(0.6)	(0.6)	0.0	0.0%	(1.1)	(1.3)	0.2	18.2%
Other income	(2.9)	(3.4)	0.5	17.2%	(4.5)	(5.2)	0.7	15.6%
<b>Total</b>	<b>(23.3)</b>	<b>(25.0)</b>	<b>1.7</b>	<b>7.3%</b>	<b>(44.8)</b>	<b>(47.0)</b>	<b>2.2</b>	<b>4.9%</b>

## Non-pay

- Third party payments (£3.2m over) - liability claims (£2.9m), payments to other forces (£0.4m) offset by other items (£0.1m).
- Supplies & services (£2.8m over) - consultants fees (£0.9m), clothing & uniforms (£0.7m), RIG approved bids (£0.5m) and other supplies and services (£1.6m, net) offset by reduction in airwave costs (£0.9m).
- Premises costs (£1.3m over) - property repairs & maintenance (£1.1m), contract cleaning (£0.5m) and other items (£0.4m) offset by underspends in NDR refunds (£0.4m) and utilities (£0.3m).
- Other employee costs (£0.6m over) – mainly relating to RIG approved bids for training and development.
- Other items net (£0.8m under).

## Income

- Over-recovery in income - Rental & hire income (£0.8m), other income (£0.7m) for judicial expenses awarded to Legal Services and mutual aid income (£0.6m) for the national Public Order response to ongoing protests, civil unrest and disorder, and other items (£0.1m, net).

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# Tracker

Key risk areas in term of financial deliverability are:

- Officer overtime - RIG
- Police staff costs - RIG
- Other employee costs – VR/VER budget

The tracker below shows the key areas 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	-	0.3	3.4	
Staffing - divisional uplifts	Corporate Comms, Vetting, Data and Digital, P&D, etc.	2.1	77	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.	3.5	22	0.0	1.2	
<b>Total RIG investment</b>		<b>13.9</b>	<b>235</b>	<b>0.3</b>	<b>7.9</b>	
Other Employee costs	Q2 forecast assumes that the total VR/VER budget will be utilised by 31 March 2025.				7.7	
<b>Total key risk areas</b>					<b>15.6</b>	

# Revenue

(further business area detail)

## DCC Local Policing

- Underspends in police staff costs (£1.7m), staff overtime (£0.5m) and non-pay items (£0.2m, net) offset by overspend in police officer overtime (£1.0m).

	£m	FTE
Budget	119.3	1,953.1
Q2 Forecast	117.9	1,928.6
<b>FY variance</b>	<b>1.4</b>	<b>24.5</b>
<i>YTD variance</i>	<i>(0.5)</i>	<i>44.8</i>

## DCC Corporate

- Reduction in airwave costs (£0.9m), underspends in police staff costs (£1.1m) and ICT costs (£0.8m) and over-recovery in income (£1.1m) offset by overspend in premises costs (£1.1m, net), consultants fees (£0.7m) and other non-pay items (£0.3m, net).

	£m	FTE
Budget	169.8	953.6
Q2 Forecast	168.0	902.1
<b>FY variance</b>	<b>1.8</b>	<b>51.5</b>
<i>YTD variance</i>	<i>3.5</i>	<i>56.4</i>

## DCC Crime

- Overspends in police staff costs (£0.6m), and staff overtime (£0.2m) offset by underspends in police officer overtime (£0.1m) and non-pay items (£0.2m, net).

	£m	FTE
Budget	80.2	1,354.9
Q2 Forecast	80.7	1,342.2
<b>FY variance</b>	<b>(0.5)</b>	<b>12.7</b>
<i>YTD variance</i>	<i>0.9</i>	<i>40.3</i>

## Corporate centre

- Budget for Revenue Investment Group approved OT bids devolved to the divisions (£2.8m) together with oncosts (£0.4m), staff costs funded at SBR (£1.9m) and other items (£2.2m, net) offset by underspend in police officer pay and allowances (£5.8m).

	£m	FTE
Budget	914.9	16,559.2
Q2 Forecast	916.4	16,431.2
<b>FY variance</b>	<b>(1.5)</b>	<b>128.0</b>
<i>YTD variance</i>	<i>(1.4)</i>	<i>85.6</i>

## DCC Professionalism, Strategy and Engagement

- Overspends in liability claims (£2.9m), police staff costs (£1.9m), clothing & uniforms (£0.5m), other third-party payments (£0.4m) and other non-pay items (£0.3m, net) offset by underspend in police officer ill-health pensions (£1.0m) and over-recovery of income (£1.5m).

	£m	FTE
Budget	60.0	730.9
Q2 Forecast	63.5	763.7
<b>FY variance</b>	<b>(3.5)</b>	<b>(32.8)</b>
<i>YTD variance</i>	<i>3.3</i>	<i>16.7</i>

## Forensics services & SPA corporate

- Forensic Services (in line with budget) - underspend in staff costs (£0.4m) offset by non-pay costs (£0.4m).
- SPA Corporate (£0.4m under) - underspend in staff costs (£0.3m) and other non-pay items (£0.1m).

	£m	FTE
Budget	49.5	647.3
Q2 Forecast	49.1	630.1
<b>FY variance</b>	<b>0.4</b>	<b>17.2</b>
<i>YTD variance</i>	<i>0.5</i>	<i>11.7</i>

# **Capital and Reform budgets**



# Finance dashboard

Q2 2024/25

Year to Sept 2024

## Capital

A	A	A
Jul	Aug	Q2

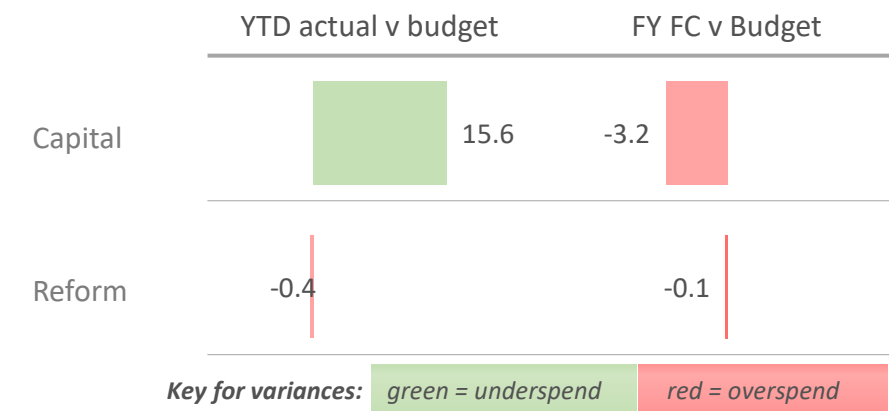
- YTD £15.6m under budget
- FY Q2 forecast £3.2m over budget (fully funded)

## Reform

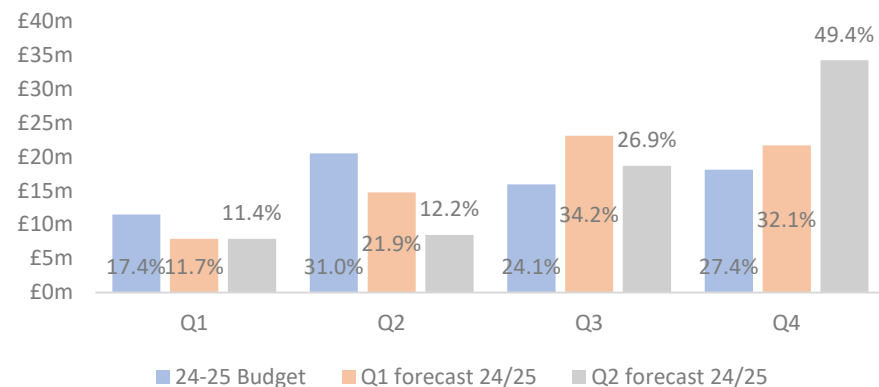
G	G	G
Jul	Aug	Q2

- YTD £0.4m over budget
- FY Q2 forecast £0.1m over budget (fully funded)

## Capital and Reform variances (£m)

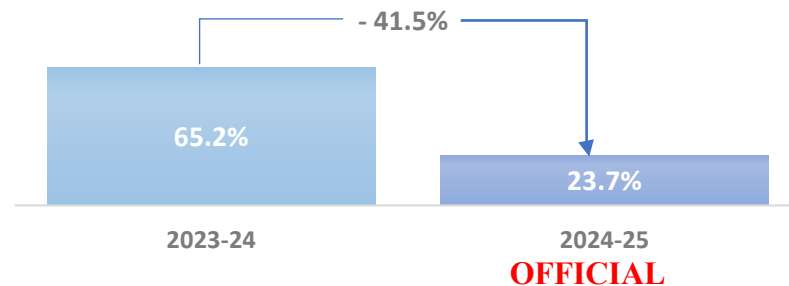


## Capital spend profile (£m)

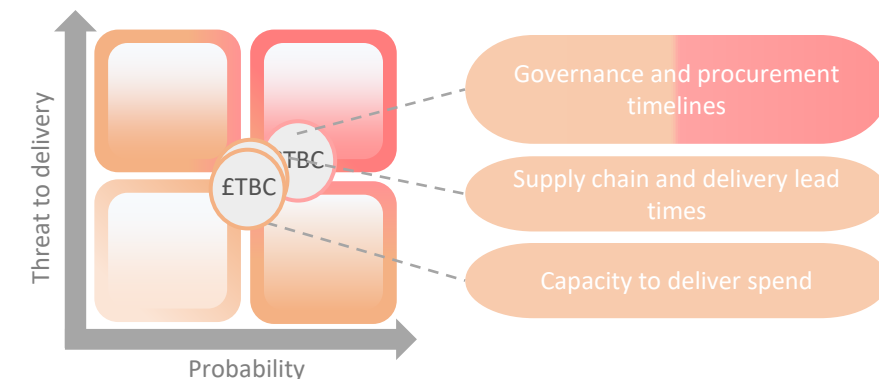


## Capital: year to date : % of Q2 forecast spent

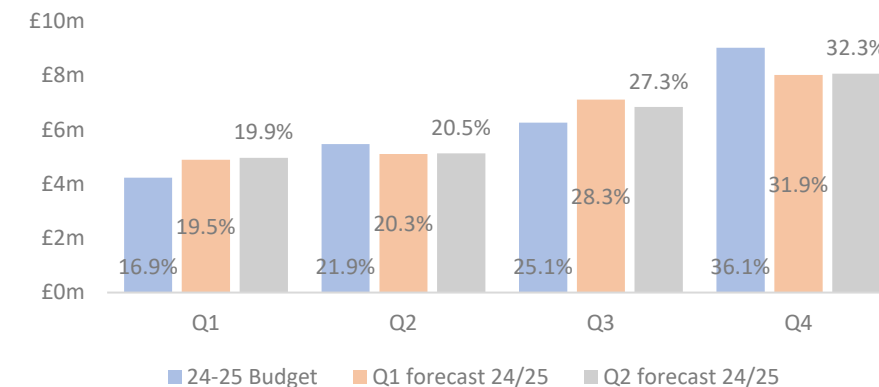
YTD % spend significantly less when compared with last year



## Threats

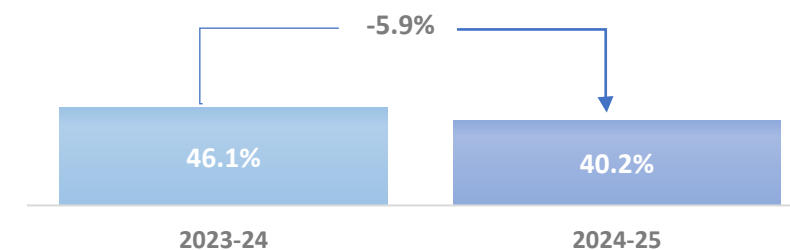


## Reform spend profile (£m)



## Reform: year to date : % of Q2 forecast spent\*\*

YTD % spend less when compared with last 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 £15.6m under budget
- FY Q2 forecast £3.2m over budget (fully funded due to additional capital receipts and grants).

## Year to date: £15.6m under budget

- Estates £8.3m under
  - BAU spend £6.1m under due to delays with OCS.
  - Transformation spend £2.2m under as only in-flight projects from last year have progressed along with housing projects.
- Digital Division £2.6m under due to various timelines extending including mobility, laptop refresh and storage.
- Fleet £2.3m under budget due to minor delays in the delivery of vehicles that are within the UK.
- DEPP £2.4m under due to budget being higher than needed for COS phase 3/DSEG and Body Worn Video.

## Forecast: £3.2m 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 £5.2m under:
  - £4.0m 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.
  - £1.4m 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. An overallocation of up to £22m has therefore been approved by Capital Investment Group to be managed across financial years to mitigate the potential risk of further slippage in 2024-25.

## Capital variance by programme (£m)

	Year to date			Full year		
	Budget £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Estates	11.8	3.5	8.3	22.3	17.6	4.7
Digital Div (rolling)	4.9	2.3	2.6	10.4	10.9	(0.5)
Digital Div (airwave)	0.0	0.0	0.0	5.5	7.7	(2.2)
Fleet	8.4	6.1	2.3	10.6	14.9	(4.3)
SPE	2.4	1.0	1.4	4.2	4.8	(0.6)
Weaponry	1.3	0.9	0.4	1.8	1.4	0.4
Forensic services	0.2	0.1	0.1	1.0	1.0	0.0
<b>Total BAU</b>	<b>29.0</b>	<b>13.9</b>	<b>15.1</b>	<b>55.8</b>	<b>58.3</b>	<b>(2.5)</b>
<b>Change:</b>						
DEPP <sup>①</sup>	3.3	0.9	2.4	9.7	4.5	5.2
Other projects	2.9	1.6	1.3	5.7	5.1	0.6
<b>Total change</b>	<b>6.2</b>	<b>2.5</b>	<b>3.7</b>	<b>15.4</b>	<b>9.6</b>	<b>5.8</b>
IFRS ROU assets**	0.0	0.0	0.0	1.4	1.4	0.0
<b>Total before slippage</b>	<b>35.2</b>	<b>16.4</b>	<b>18.8</b>	<b>72.6</b>	<b>69.3</b>	<b>3.3</b>
Slippage	(3.2)	(0.0)	(3.2)	(6.5)	0.0	(6.5)
<b>Total</b>	<b>32.0</b>	<b>16.4</b>	<b>15.6</b>	<b>66.1</b>	<b>69.3</b>	<b>(3.2)</b>
<b>Funding</b>						
GI A - core				64.6	64.6	0.0
Capital receipts				1.5	2.9	1.4
Other				0.0	1.8	1.8
<b>Total</b>				<b>66.1</b>	<b>69.3</b>	<b>3.2</b>

\*\*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.

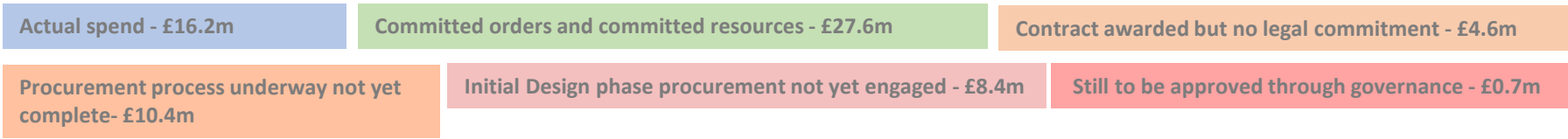
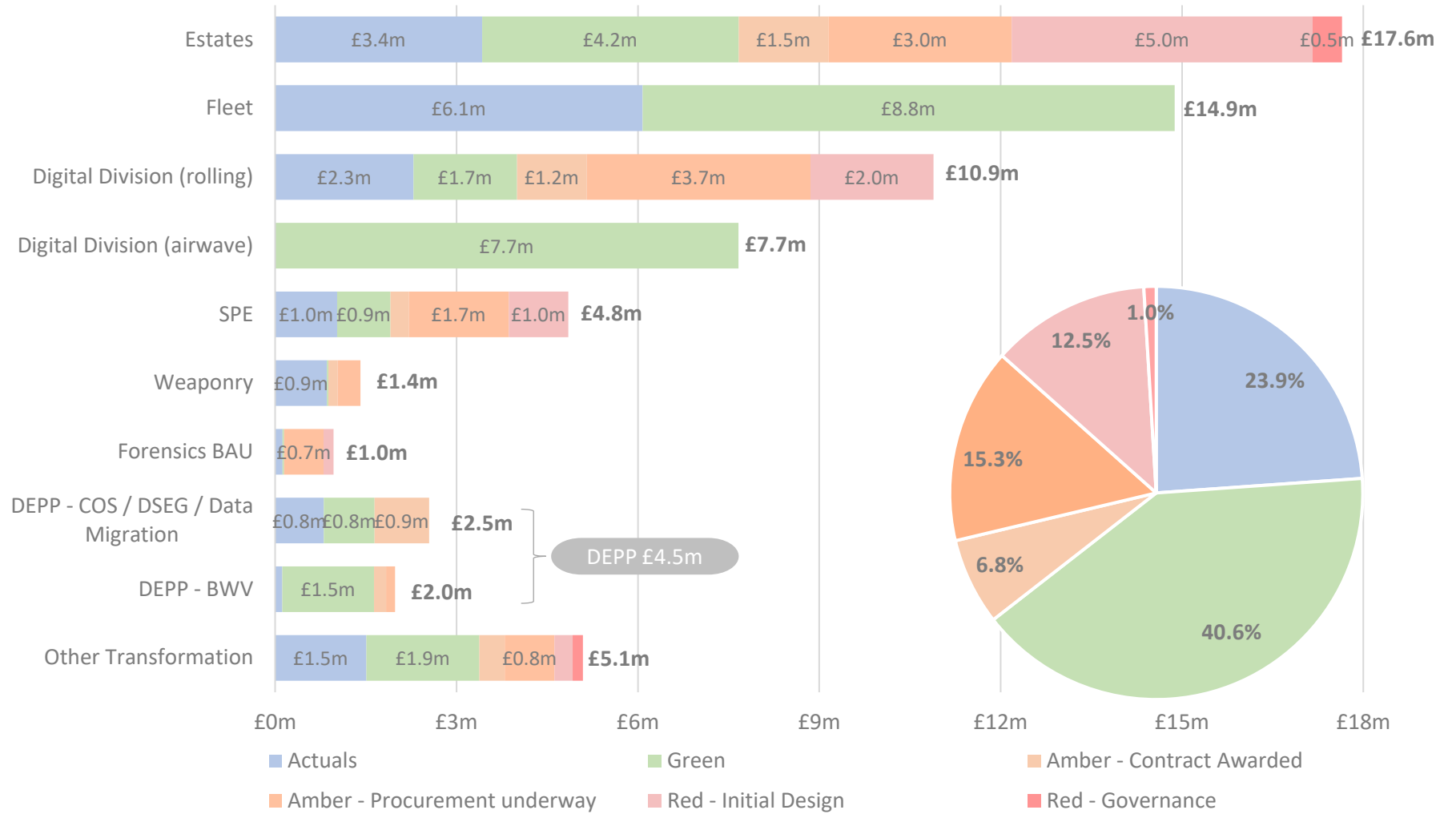
① DEPP = Digitally Enabled Policing Programme

# Capital

As at Period 6 £43.8m is spent or committed to date.

This leaves £24.1m still to be committed plus IFRS16 ROU assets £1.4m to meet the funded position of £69.3m.

## Capital by categorisation of spend status (£m) – Total £67.9m (before slippage and IFRS ROU assets)



**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 £0.5m over budget
- FY Q1 forecast £0.1m over budget (fully funded).

## Year to date: £0.4m over budget

- EPF £0.6m, Digital Division projects £0.4m and other items £0.9m under mainly due to slippage / delays in programme spend.
- Offset by anticipated slippage of £2.3m.

## 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		
	Budget £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Transformation resource	7.1	7.0	0.1	15.6	14.6	1.0
Estates transformation	0.9	0.6	0.3	3.3	2.2	1.1
Policing in a digital world	0.1	0.0	0.1	2.9	1.0	1.9
EPF ①	1.7	1.1	0.6	3.6	3.1	0.5
DEPP ②	0.1	0.0	0.1	0.9	0.3	0.6
MC&E ③	0.4	0.2	0.2	0.8	0.6	0.2
Digital Division	0.5	0.1	0.4	0.8	0.7	0.1
DDD ④	0.3	0.2	0.1	0.7	0.5	0.2
LPP ⑤	0.2	0.0	0.2	0.4	0.3	0.1
P&D Programme	0.2	0.2	0.0	0.3	0.2	0.1
Other projects	0.5	0.7	0.1	1.2	1.7	(0.5)
<b>Total before slippage</b>	<b>12.0</b>	<b>10.1</b>	<b>1.9</b>	<b>30.5</b>	<b>25.2</b>	<b>5.3</b>
Slippage	(2.3)	(0.0)	(2.3)	(5.5)	(0.1)	(5.4)
	<b>9.7</b>	<b>10.1</b>	<b>(0.4)</b>	<b>25.0</b>	<b>25.1</b>	<b>(0.1)</b>
Contribution from Revenue Budget				(5.0)	(5.0)	(0.0)
<b>Total</b>				<b>20.0</b>	<b>20.1</b>	<b>(0.1)</b>
<b>Funding</b>						
GIA - core				20.0	20.0	0.0
Other grant funding				0.0	0.1	0.1
				<b>20.0</b>	<b>20.1</b>	<b>0.1</b>

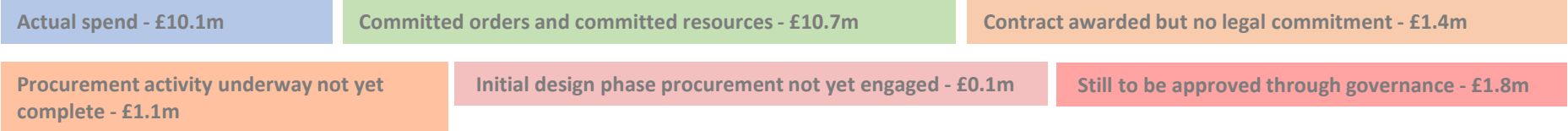
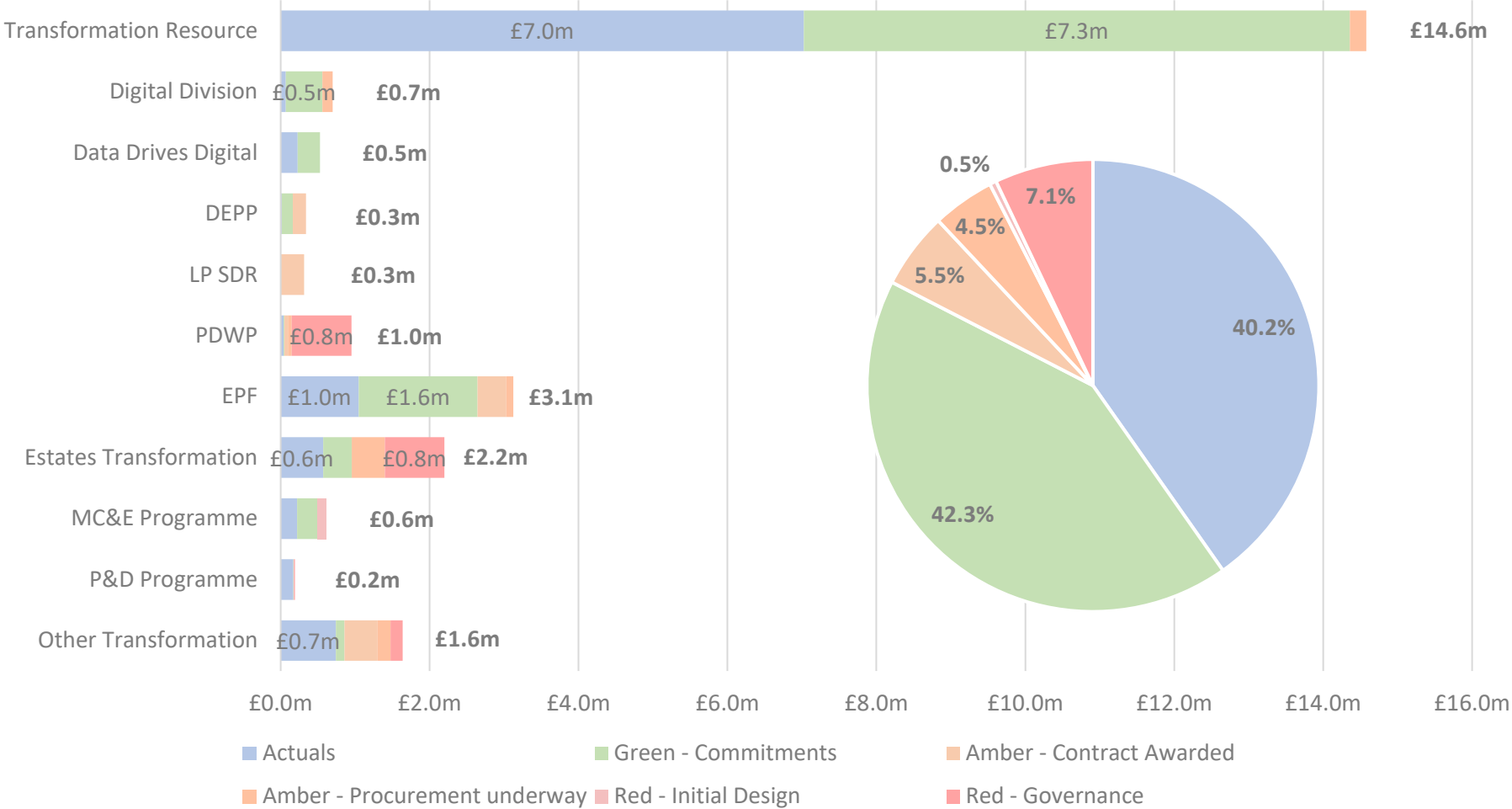
① EPF = Enabling Policing for the Future  
 ② DEPP = Digitally Enabled Policing Programme  
 ③ MC&E = Modern Contact & Engagement  
 ④ DDD = Data Drives Digital  
 ⑤ LPP = Local Policing Programme

# Reform

As at Period 6 £20.8m is spent or committed to date.

This leaves £4.3m 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

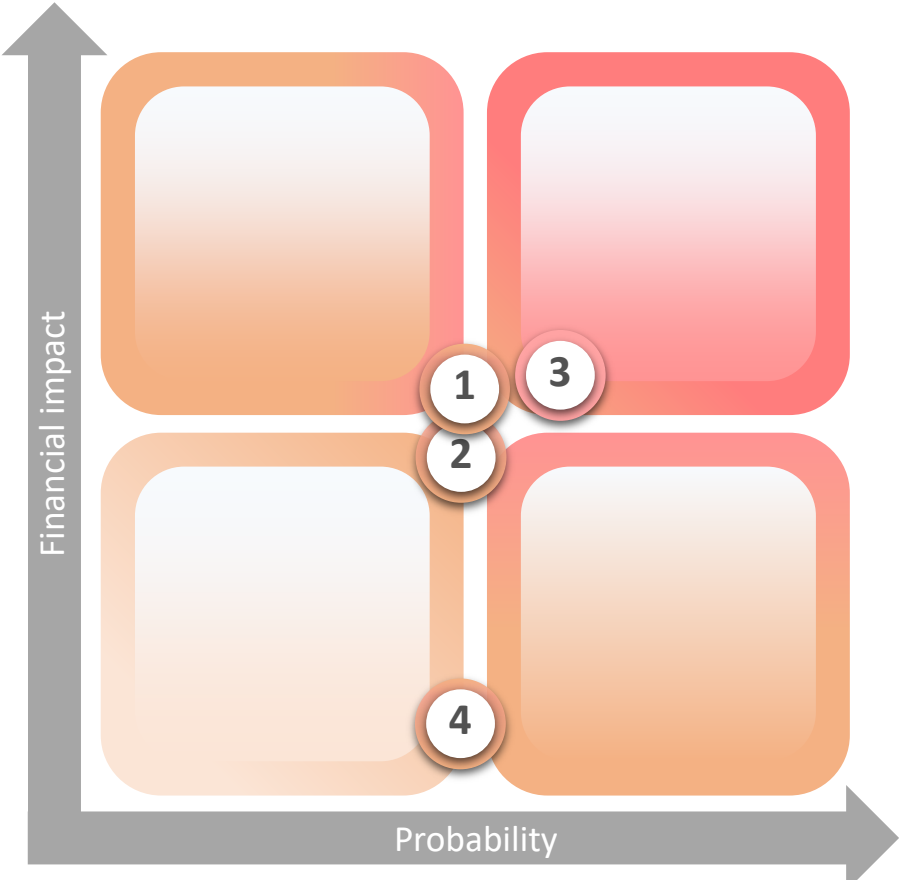
# **Risk Analysis**

# Risk analysis

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

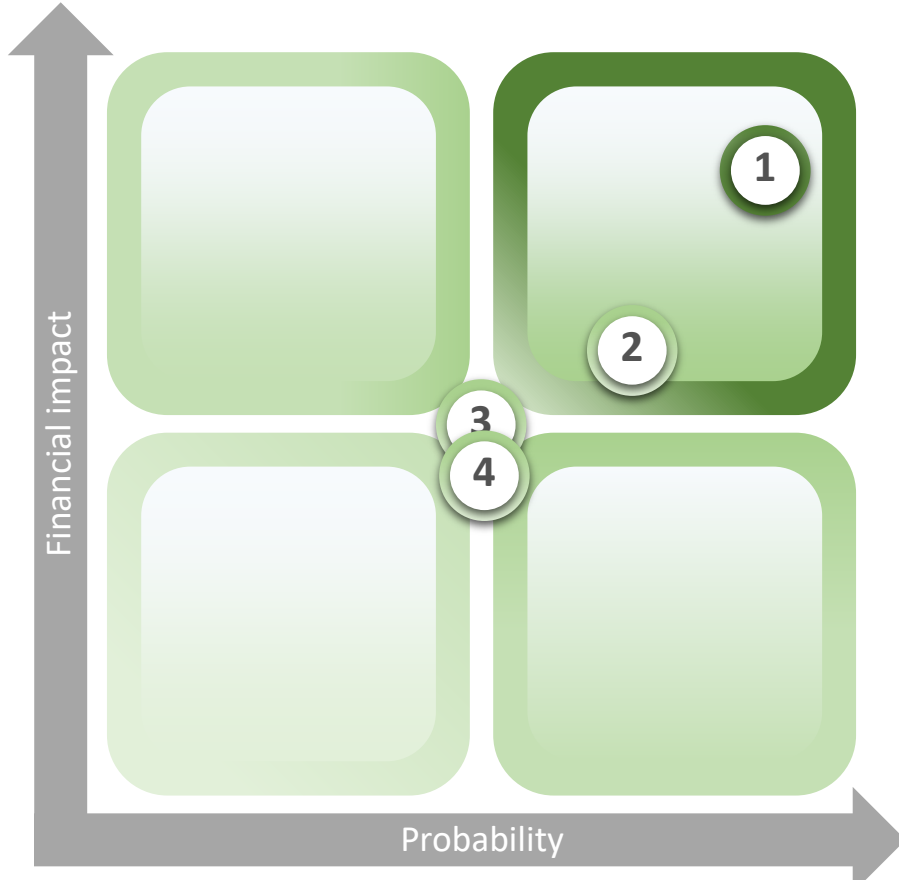
Threats and opportunities risks will continue to be monitored in Q3.

## 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.

## 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 £10.1m is £1.2m higher than at the same point last year but still requires £15.0m in the last six months to deliver forecast.