



Agenda Item 8

<b>Meeting</b>	<b>SPA Authority Meeting</b>
<b>Date</b>	<b>22 August 2024</b>
<b>Location</b>	<b>Merchants Hall, Glasgow</b>
<b>Title of Paper</b>	<b>Quarter 1 Financial Monitoring Report</b>
<b>Presented By</b>	<b>James Gray, Chief Financial officer</b>
<b>Recommendation to Members</b>	<b>For discussion</b>
<b>Appendix Attached</b>	<b>Yes: Appendix A – Quarter 1 Finance Report Appendix B – Budget Revision</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 one (Q1) of the financial year 2024-25.

## 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 also been included within the budget build. 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.
- 1.4 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.
- 1.5 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 continue to be monitored and reported throughout the year.
- 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 Quarter 1 (Q1) finance report.

### Revenue

- The Q1 net expenditure forecast is £0.5m over budget, fully funded by GiA funding agreed through Autumn Budget Revision (ABR) transfers.
- There are a number of significant offsetting variances that form part of the Q1 forecast. The main underspends (£14.1m) relate to Police Officer pay costs (£9.3m) as officer numbers are running below the budgeting assumption; one off benefits (£3.0m) and other reductions (£1.8m).
- Against these underspends, there is an increase in expenditure (£10.1m) relating to bids approved by the Revenue Investment Group (RIG) predominately supporting workforce modernisation, learning training & development, and wellbeing; additional non-pay costs (£3.2m - supplies & services £2.3m and third-party payments £0.9m) and under-recovery of income (£0.8m).
- A number of threats and opportunities are being monitored, some of which may crystallise in the Q2 forecast. A tracker is included in Appendix A that covers the expenditure approved at RIG and the VRVER budget, as the forecast assumes that these expenditure items will be delivered by 31 March 2025.
- The year-to-date actual position versus budget is an underspend of £3.7m, explained by underspends in non-pay (£1.8m), police staff costs (£1.3m) and officer pensions (£0.6m).

## **Capital**

- The capital forecast at Q1 is £67.5m, £1.4m above the budget position of £66.1m.
- This forecast overspend is fully funded and primarily compensated by an increase in capital receipts (£1.2m) and other capital grants receivable (£0.2m).
- The capital forecast at Q1 requires £3.2m of slippage to be managed down over the year. £3.3m has been achieved to date from the original slippage target of £6.5m, mainly due to forecast underspends in the Digitally Enabled Policing Programme (DEPP) £1.9m and additional funding of £1.4m mentioned above.
- Finance are engaging regularly with business areas to support delivery of their capital plans. The capital position and pipeline spend has been reviewed by the Capital Investment Group and any further decisions regarding spend allocations will be reflected in a revised Q1 forecast at an appropriate time.
- 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 P3 is under budget by £3.6m (net of slippage).
- This underspend is mainly due to estates slippage for sub-contractors not ready to commence (£1.9m) and delays in transformation type spend (£0.7m) whilst the focus has been progressing in-flight projects from last year; and an underspend in Specialist Policing Equipment (£1.0m) as profiling of spend needs revised defined timelines for all projects.

## **Reform**

- The reform forecast at Q1 of £25.1m, £0.1m (fully funded) above the budget position of £25.0m.
- The reform budget required £5.5m of slippage to be managed down over the financial year, £3.6m of this has been identified by the end of Q1, leaving £1.9m to be managed over the remainder of the year.

- Reduction in FY slippage has been achieved due to transformation resource (£1.9m) under due to slippage in recruiting timescales, policing in a digital world training and capability (£1.0m) under due to delay in the business case and other items net (£0.7m).
- 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 P3 is over budget by £0.5m (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 Q1 forecast position for revenue, capital, and reform at appendix A and the budget revision outlined at appendix B.



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

SCOTTISH POLICE  
**AUTHORITY**

**Finance**

Corporate Finance team

# Appendix A

# Finance report

## Quarter 1 2024/25



# Revenue budget



# Finance dashboard

Q1 2024/25

Year to June 2024

## Revenue

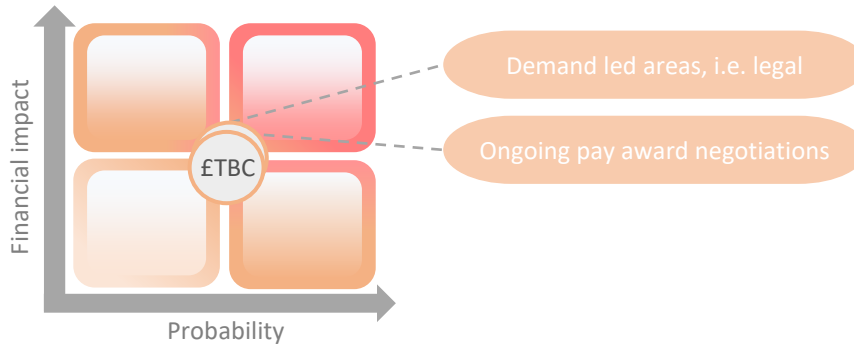
G	G/A	A
Apr	May	Q1

- YTD £3.7m under budget
- FY Q1 forecast in line with funding

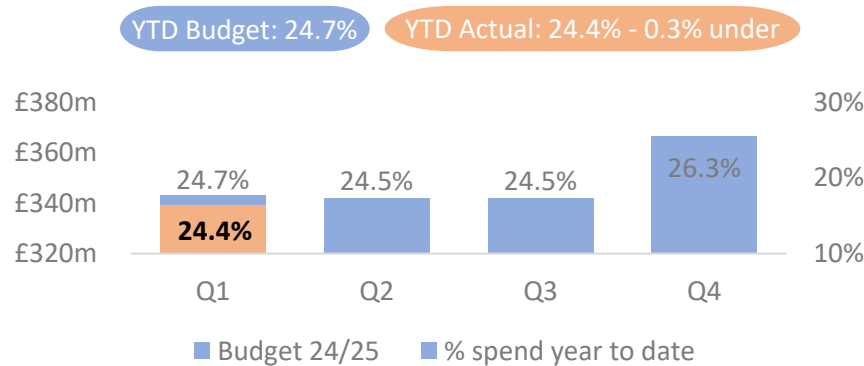
## Revenue variance (£m)

	YTD actual v budget	FY FC v Budget
Police Scotland	3.6	-0.8
Forensic Services	-0.3	0.0
SPA corporate	0.4	0.3
<b>Total</b>	<b>3.7</b>	<b>-0.5</b>

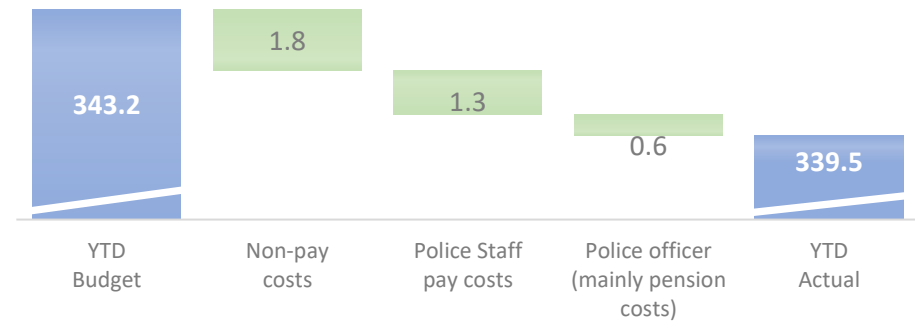
## Threats



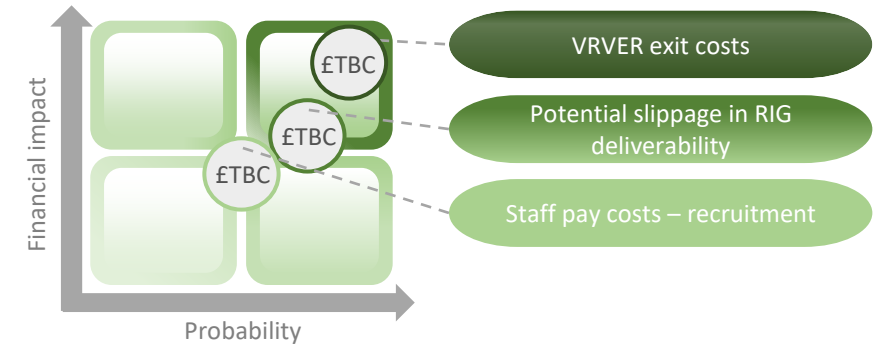
## Revenue budget spend profile (£m)



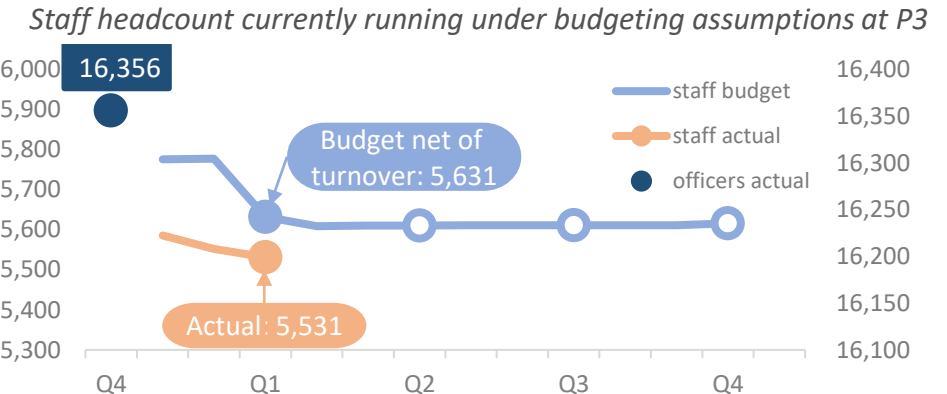
## Revenue: YTD actual costs £3.7m lower than budget



## Opportunities



## People numbers (FTE) - Revenue Budget



# Revenue

## (service area)

Budget / Forecast deliverability status is amber

Q1 net expenditure forecast £0.5m over budget (funded)

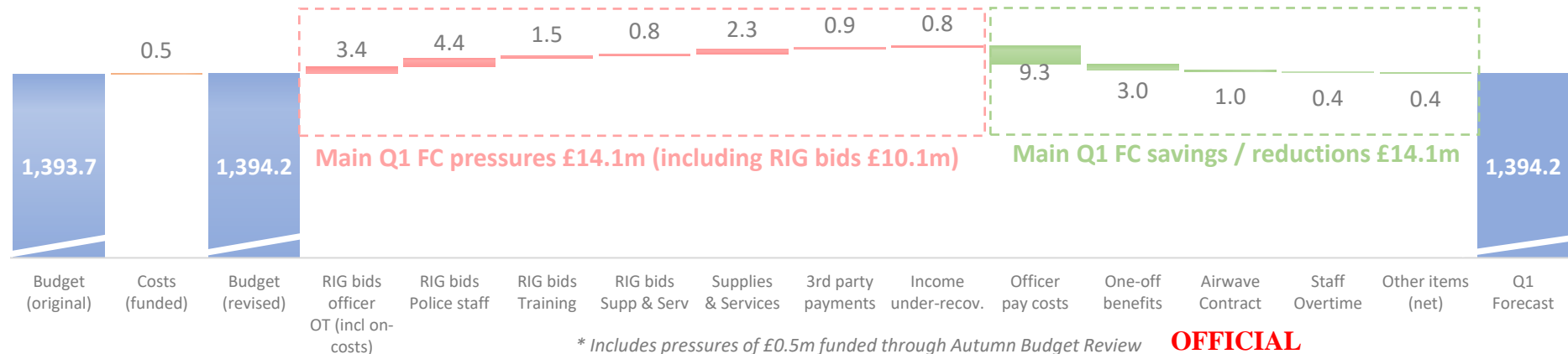
### Total expenditure £0.5m over funding

- Full year Q1 FC position in line with funding - £0.5m over budget supported by additional grant-in-aid ABR funding £0.5m:
- Revenue Investment Group (RIG) approved bids up to 25 June 2024, totalling £10.1m, are included in the Q1 forecast - Officer overtime (£3.0m) plus oncosts (£0.4m), Staff costs (£4.4m) and non-pay costs (£2.3m).
- The Q1 forecast also 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	Q1 FC* £m	Var. £m
Police Scotland	331.0	327.4	3.6	1,344.2	1,345.0	(0.8)
Forensic Services	10.8	11.1	(0.3)	44.0	44.0	0.0
SPA Corporate	1.4	1.0	0.4	5.5	5.2	0.3
<b>Total expenditure</b>	<b>343.2</b>	<b>339.5</b>	<b>3.7</b>	<b>1,393.7</b>	<b>1,394.2</b>	<b>(0.5)</b>
<b>Funding</b>						
GiA - core				1,393.7	1,393.7	0.0
GiA - other				0.0	0.5	0.5
				<b>1,393.7</b>	<b>1,394.2</b>	<b>0.5</b>

### Detailed budget to FY Q1 forecast (£m)\*



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# Revenue

## (service area)

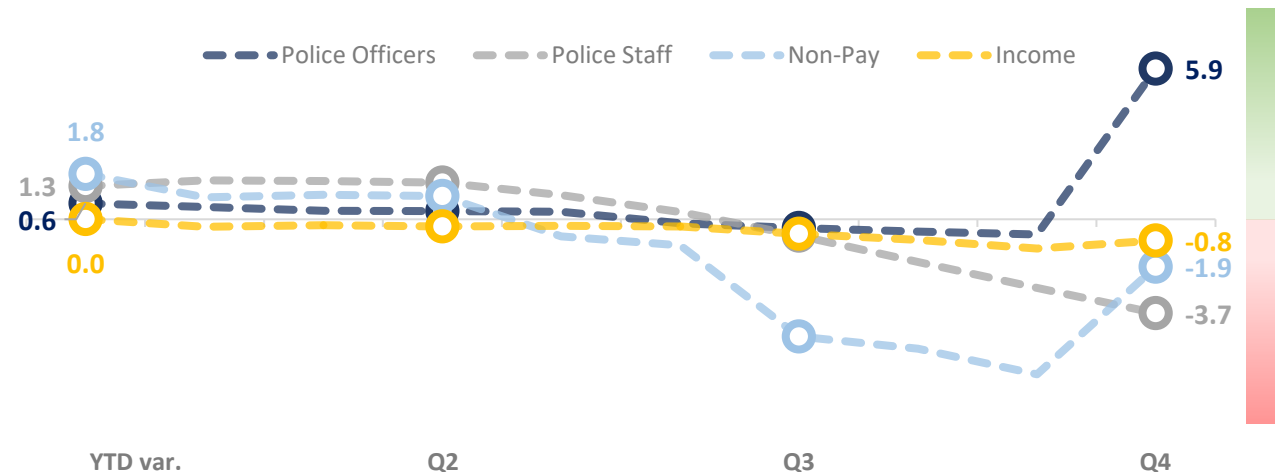
Year to date under budget by £3.7m

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

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	Q1 FC* £m	Var. £m	%
Police officers	229.6	229.0	0.6	0.3%	929.8	923.9	5.9	0.6%
Police staff	73.4	72.1	1.3	1.8%	289.2	292.9	(3.7)	(1.3%)
Non-pay	51.4	49.6	1.8	3.5%	219.5	221.4	(1.9)	(0.9%)
Income	(11.2)	(11.2)	0.0	0.0%	(44.8)	(44.0)	(0.8)	(1.8%)
<b>Total</b>	<b>343.2</b>	<b>339.5</b>	<b>3.7</b>	<b>1.1%</b>	<b>1,393.7</b>	<b>1,394.2</b>	<b>(0.5)</b>	<b>(0.0%)</b>

\* Includes pressures of £0.5m funded through Autumn Budget Review

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



### Revenue variances

- The tracker on page 8 shows the key areas included in the Q1 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 (~£7.0m) arising from differential between the budgeted establishment of 16,600 and the officer numbers profile provided by SWP/LTD in terms of projected attrition and probationer intakes.
- Police staff costs moves to an adverse variance position during the second half of the year, impacted mainly by approved RIG bids (£4.4m).
- Non-pay costs profile projects an increasing adverse variance in the second half of the year due to approved RIG bids but reduces significantly by the end of the year; mainly due to one-off benefits.
- 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	Var. %	Bud £m	Q1 FC £m	Var. £m	Var. %
Police officer pay	216.6	216.4	0.2	0.1%	873.0	864.3	8.7	1.0%
Overtime - core	4.1	4.4	(0.3)	(7.3%)	22.0	25.0	(3.0)	(13.6%)
Overtime – non-core	0.8	0.8	0.0	0.0%	3.3	3.4	(0.1)	(3.0%)
Allowances	1.3	1.2	0.1	7.7%	5.3	5.1	0.2	3.8%
Pensions	6.8	6.2	0.6	8.8%	26.2	26.1	0.1	0.4%
<b>Total</b>	<b>229.6</b>	<b>229.0</b>	<b>0.6</b>	<b>0.3%</b>	<b>929.8</b>	<b>923.9</b>	<b>5.9</b>	<b>0.6%</b>

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

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	Var. %	Bud £m	Q1 FC £m	Var. £m	Var. %
Staff pay and allowances	72.4	71.3	1.1	1.5%	285.3	289.4	(4.1)	(1.4%)
Overtime	0.9	0.8	0.1	11.1%	3.6	3.2	0.4	11.1%
Special constables	0.1	0.0	0.1	100.0%	0.3	0.3	0.0	0.0%
<b>Total</b>	<b>73.4</b>	<b>72.1</b>	<b>1.3</b>	<b>1.8%</b>	<b>289.2</b>	<b>292.9</b>	<b>(3.7)</b>	<b>(1.3%)</b>

## Police officer costs

- Underspend in police officer pay and allowances (£9.3m) as officer numbers running well below budgeting assumption of 16,600.
- Offset by increase in overtime costs (£3.0m) and oncosts (£0.4m) for bids as approved through the Revenue Investment Group.

## Police staff costs

- Police staff (£3.7m) over mainly due to RIG approved bids (£4.4m) offset by underspends in overtime (£0.4m) and other costs (£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	Q1 FC £m	Var. £m	%
Other employee	2.2	2.2	0.0	0.0%	21.1	22.6	(1.5)	(7.1%)
Premises	17.6	16.8	0.8	4.5%	72.7	73.1	(0.4)	(0.6%)
Transport	4.9	4.7	0.2	4.1%	19.4	19.4	0.0	0.0%
Supplies & Services	9.8	10.6	(0.8)	(8.2%)	39.7	41.6	(1.9)	(4.8%)
ICT	9.3	8.8	0.5	5.4%	37.2	37.3	(0.1)	(0.3%)
Administration	3.2	2.8	0.4	12.5%	10.4	10.3	0.1	1.0%
Third party payments	3.9	3.3	0.6	15.4%	15.6	16.6	(1.0)	(6.4%)
Other costs	0.5	0.4	0.1	20.0%	3.4	0.5	2.9	85.3%
<b>Total</b>	<b>51.4</b>	<b>49.6</b>	<b>1.8</b>	<b>3.5%</b>	<b>219.5</b>	<b>221.4</b>	<b>(1.9)</b>	<b>(0.9%)</b>

## Income variance by type (£m)

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	%	Bud £m	Q1 FC £m	Var. £m	%
Specific grant funding	(2.1)	(1.8)	(0.3)	(14.3%)	(8.4)	(8.4)	0.0	0.0%
Funded officers and staff	(1.4)	(1.5)	0.1	7.1%	(5.4)	(5.4)	0.0	0.0%
Public fees	(1.0)	(1.1)	0.1	10.0%	(4.7)	(4.3)	(0.4)	(8.5%)
Rental and hire	(1.8)	(2.0)	0.2	11.1%	(7.4)	(7.5)	0.1	0.0%
Mutual aid	(0.1)	(0.0)	(0.1)	(100.0%)	(0.5)	(0.3)	(0.2)	(40.0%)
Services of police	(2.5)	(2.9)	0.4	16.0%	(12.8)	(12.4)	(0.4)	(3.1%)
Seconded officers	(0.3)	(0.3)	0.0	0.0%	(1.1)	(1.2)	0.1	9.1%
Other income	(2.0)	(1.6)	(0.4)	(20.0%)	(4.5)	(4.5)	0.0	0.0%
<b>Total</b>	<b>(11.2)</b>	<b>(11.2)</b>	<b>0.0</b>	<b>0.0%</b>	<b>(44.8)</b>	<b>(44.0)</b>	<b>(0.8)</b>	<b>(1.8%)</b>

## Non-pay

- Supplies & services (£1.9m over) - RIG approved bids (£0.8m), clothing & uniforms (£0.5m), consultants fees (£0.5m), medical fees & reports (£0.3m) and other supplies and services (£0.8m) offset by reduction in airwave costs (£1.0m).
- Other employee costs (£1.5m over) – mainly relating to RIG approved bids for training and development.
- Third party payments (£1.0m over) - liability claims (£0.5m), payments to other forces (£0.3m) and other items (£0.2m).
- Premises costs (£0.4m over) - property repairs & maintenance (£1.3m) offset by underspends in contract cleaning (£0.5m), utilities (£0.2m) and NDR refunds (£0.2m)
- Other costs (£2.9m under) - BIK budget no longer required (£3.0m) offset by other items (£0.1m).

## Income

- Under-recovery in income - mainly services of police income (£0.4m) and public fees (£0.4m).

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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 Q1 forecast that will be closely monitored due to their risk around financial deliverability**

Expenditure	Detail	Q1 forecast £m	Financial deliverability
Officer overtime (inc. on-costs)	To be managed through overtime management group.	3.4	
Staff costs - divisional uplifts	60 FTE across CJSD, Corporate Comms, Vetting, Data and Digital.	1.8	
Staff costs - Workforce modernisation	85 FTE across Firearms and Explosive Licensing and Investigator type roles required by several areas.	1.7	
Staff costs - Learning, Training and Development	36 FTE delivering a) anti-racist training, b) driver training unit and c) probationer training to ensure our newest recruits are equipped for the complexities of modern policing.	0.9	
Other employee costs - Training	Design and delivery of anti-racist training for staff and officers (£1.2m). Other training (£0.3m).	1.5	
Other non-pay items	Wellbeing, risk mitigation investment, data/cyber investment and digital expenditure	0.8	
<b>Total RIG investment</b>		<b>10.1</b>	
Other Employee costs	Q1 forecast assumes that the total VR/VER budget will be utilised by 31 March 2025. Organisational change plans will continue to be reviewed over the remaining part of the year.	7.7	
<b>Total key risk areas</b>		<b>17.8</b>	

Note: Staff costs £4.4m - categorised as red due to the increased recruitment requirement and recruitment timelines.

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# Revenue

(further business area detail)

## DCC Local Policing

- Underspend in police staff costs (£1.2m), staff overtime (£0.4m) and non-pay items (£0.3m, net) offset by overspend in police officer overtime (£0.9m) and under-recovery of income (£0.7m).

	£m	FTE
Budget	117.5	1,953.1
Q1 Forecast	117.2	1,953.0
<b>FY variance</b>	<b>0.3</b>	<b>0.1</b>
<i>YTD variance</i>	<i>0.2</i>	<i>44.8</i>

## DCC Corporate

- Reduction in airwave costs (£1.0m), underspend in police staff costs (£0.7m), over-recovery in income (£0.4m) offset by overspend in premises costs (£0.3m, net) and other non-pay items (£0.3m, net).

	£m	FTE
Budget	169.8	953.6
Q1 Forecast	168.3	919.5
<b>FY variance</b>	<b>1.5</b>	<b>34.1</b>
<i>YTD variance</i>	<i>2.8</i>	<i>56.4</i>

## DCC Crime & Op Support

- Underspend in supplies & services (£0.5m) offset by overspend in police staff costs (£0.3m) and under-recovery in income (£0.1m).

	£m	FTE
Budget	79.9	1,354.9
Q1 Forecast	79.8	1,331.2
<b>FY variance</b>	<b>0.1</b>	<b>23.7</b>
<i>YTD variance</i>	<i>0.5</i>	<i>40.3</i>

## Corporate centre

- Revenue Investment Group approved bids (£10.1m) not yet devolved, staff costs funded at SBR (£1.8m) and other items (£0.8m, net) offset by underspend in police officer pay and allowances (£8.9m) and BIK budget no longer required (£3.0m).

	£m	FTE
Budget	917.9	16,559.2
Q1 Forecast	918.7	16,470.4
<b>FY variance</b>	<b>(0.8)</b>	<b>88.8</b>
<i>YTD variance</i>	<i>(1.6)</i>	<i>85.6</i>

## DCC Professionalism, Strategy and Engagement

- Overspends in clothing & uniforms (£0.5m), liability claims (£0.5m), medical fees & reports (£0.3m), other third-party payments (£0.3m), other supplies & services (£0.2m) and under-recovery in income (£0.1m).

	£m	FTE
Budget	59.1	730.9
Q1 Forecast	61.0	724.0
<b>FY variance</b>	<b>(1.9)</b>	<b>6.9</b>
<i>YTD variance</i>	<i>1.7</i>	<i>16.7</i>

## Forensics services & SPA corporate

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

	£m	FTE
Budget	49.5	647.3
Q1 Forecast	49.2	632.6
<b>FY variance</b>	<b>0.3</b>	<b>14.7</b>
<i>YTD variance</i>	<i>0.1</i>	<i>11.7</i>

# **Capital and Reform budgets**



# Finance dashboard

Q1 2024/25  
Year to June 2024

## Capital

G	G/A	A
Apr	May	Q1

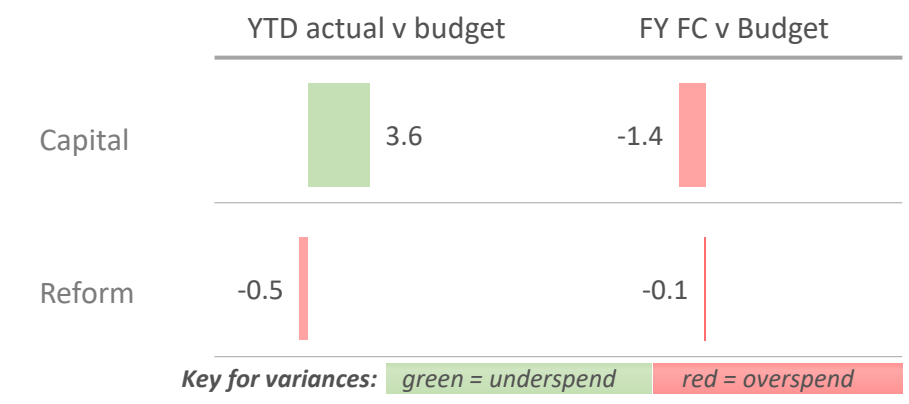
- YTD £3.6m under budget
- FY Q1 forecast £1.4m over budget (fully funded)

## Reform

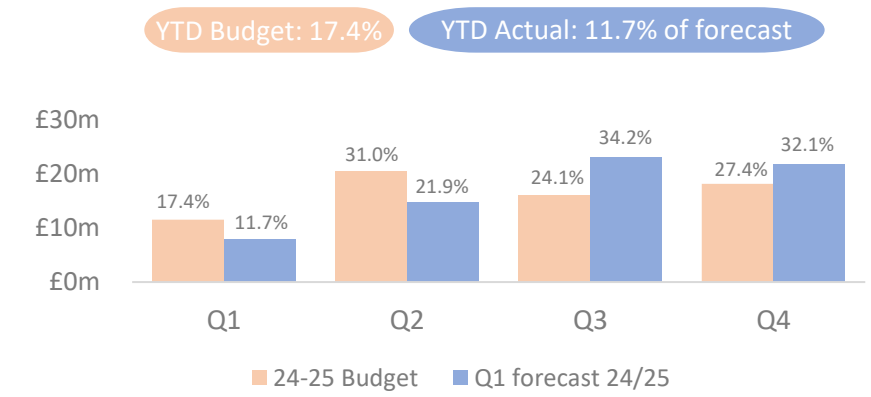
G	G	G
Apr	May	Q1

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

## Capital and Reform variances (£m)

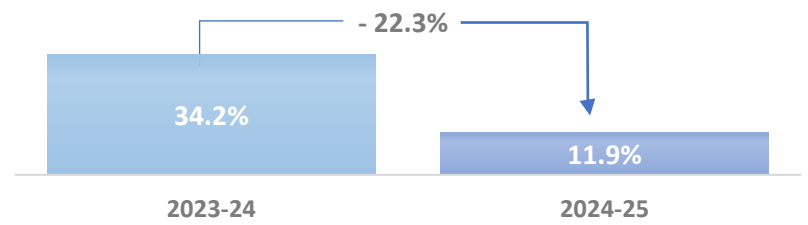


## Capital spend profile (£m)

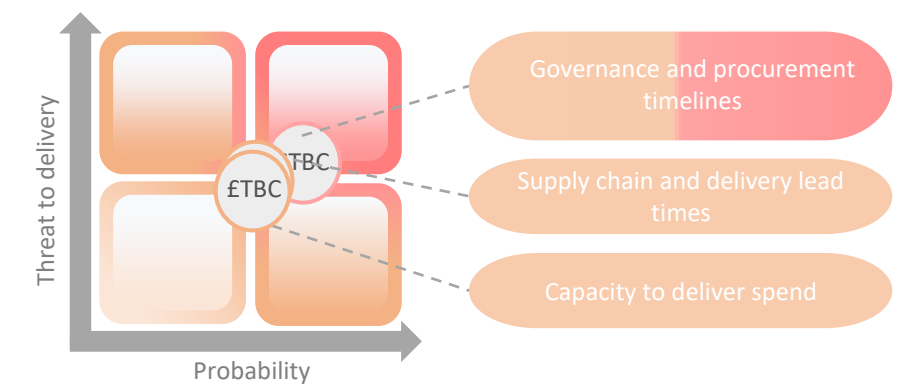


## Capital: year to date : % of budget spent

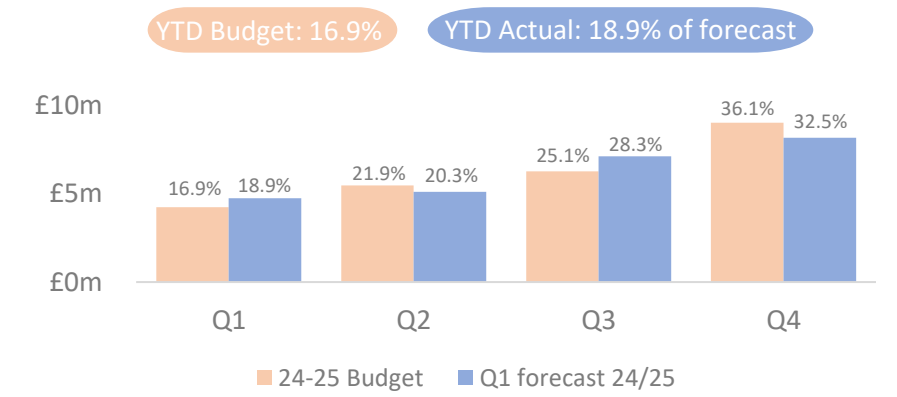
YTD spend significantly less when compared with last year



## Threats

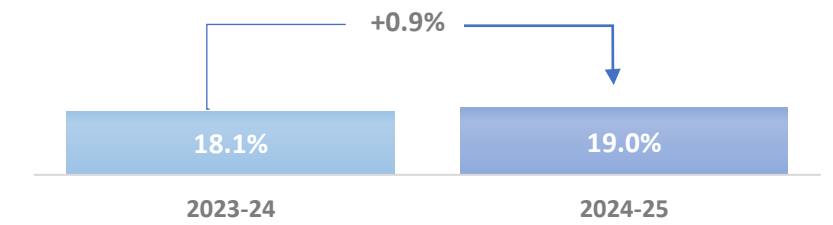


## Reform spend profile (£m)



## Reform: year to date : % of budget spent

YTD slightly higher than in the previous year



# Capital

Budget / Forecast deliverability changed to amber

G	G/A	A
Apr	May	Q1

- YTD £3.6m under budget
- FY Q1 forecast £1.4m over budget (fully funded)

## Year to date: £3.6m under budget

- Estates (£2.6m under)
  - BAU spend £1.9m under due to delays with OCS subcontractors' availability to start on site.
  - Transformation spend £0.7m under as only in-flight projects from last year have progressed.
- SPE £1.0m under due to poor budget phasing which is not reflective of actual timescales.
- DEPP £0.4m under due to delays in COS phase 3 and other items £0.8m (net) offset by anticipated slippage £1.2m.

## Forecast: £1.4m over budget

- BAU increased by £0.3m mainly due to SCP fleet which is offset by additional income.
- Slippage identified £3.3m (see below).
- DEPP programme £1.9m under:
  - £1.3m reduction (COS phase 2 and 3, DSEG and Data Migration) due to project delays.
  - £0.6m reduction in BWV. Significant risk as £2m included for network upgrades and contract award not expected until December 24.
- Increase in funding of £1.4m made up of: £1.2m increase in capital receipts and £0.2m increase in other grants for SCP.

## £3.2m of slippage to be delivered

- £3.3m of slippage identified to date due to delays in programmes and increased receipts, £3.2m to be managed down across the remainder of the year.

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## Capital variance by programme (£m)

	Year to date			Full year		
	Budget £m	Actual £m	Var. £m	Budget £m	Q1 FC £m	Var. £m
Estates	3.9	1.3	2.6	22.3	22.3	0.0
Digital Div (rolling)	1.3	0.9	0.4	10.4	10.4	0.0
Digital Div (airwave)	0.0	0.0	0.0	5.5	5.4	0.1
Fleet	3.1	2.9	0.2	10.6	10.9	(0.3)
SPE	1.5	0.5	1.0	4.2	4.2	0.0
Weaponry	0.8	0.7	0.1	1.8	1.9	(0.1)
Forensic services	0.0	0.1	(0.1)	1.0	1.0	0.0
<b>Total BAU</b>	<b>10.6</b>	<b>6.4</b>	<b>4.2</b>	<b>55.8</b>	<b>56.1</b>	<b>(0.3)</b>
<b>Change:</b>						
DEPP ①	1.0	0.6	0.4	9.7	7.8	1.9
Other projects	1.1	0.9	0.2	5.7	5.4	0.3
<b>Total change</b>	<b>2.1</b>	<b>1.5</b>	<b>0.6</b>	<b>15.4</b>	<b>13.2</b>	<b>2.2</b>
IFRS ROU assets	0.0	0.0	0.0	1.4	1.4	0.0
<b>Total before slippage</b>	<b>12.7</b>	<b>7.9</b>	<b>4.8</b>	<b>72.6</b>	<b>70.7</b>	<b>1.9</b>
Slippage	(1.2)	(0.0)	(1.2)	(6.5)	(3.2)	(3.3)
<b>Total</b>	<b>11.5</b>	<b>7.9</b>	<b>3.6</b>	<b>66.1</b>	<b>67.5</b>	<b>(1.4)</b>
<b>Funding</b>						
GIA - core				63.2	63.2	0.0
Capital receipts				1.5	2.7	1.2
Other				1.4	1.6	0.2
<b>Total</b>				<b>66.1</b>	<b>67.5</b>	<b>1.4</b>

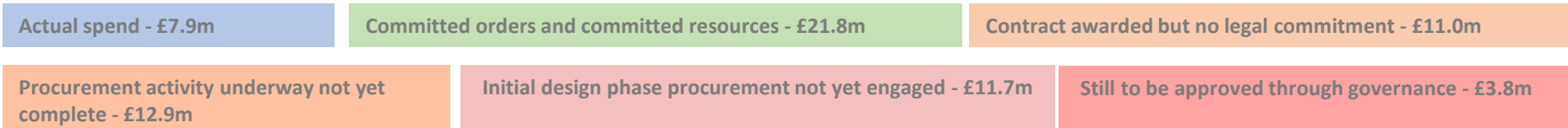
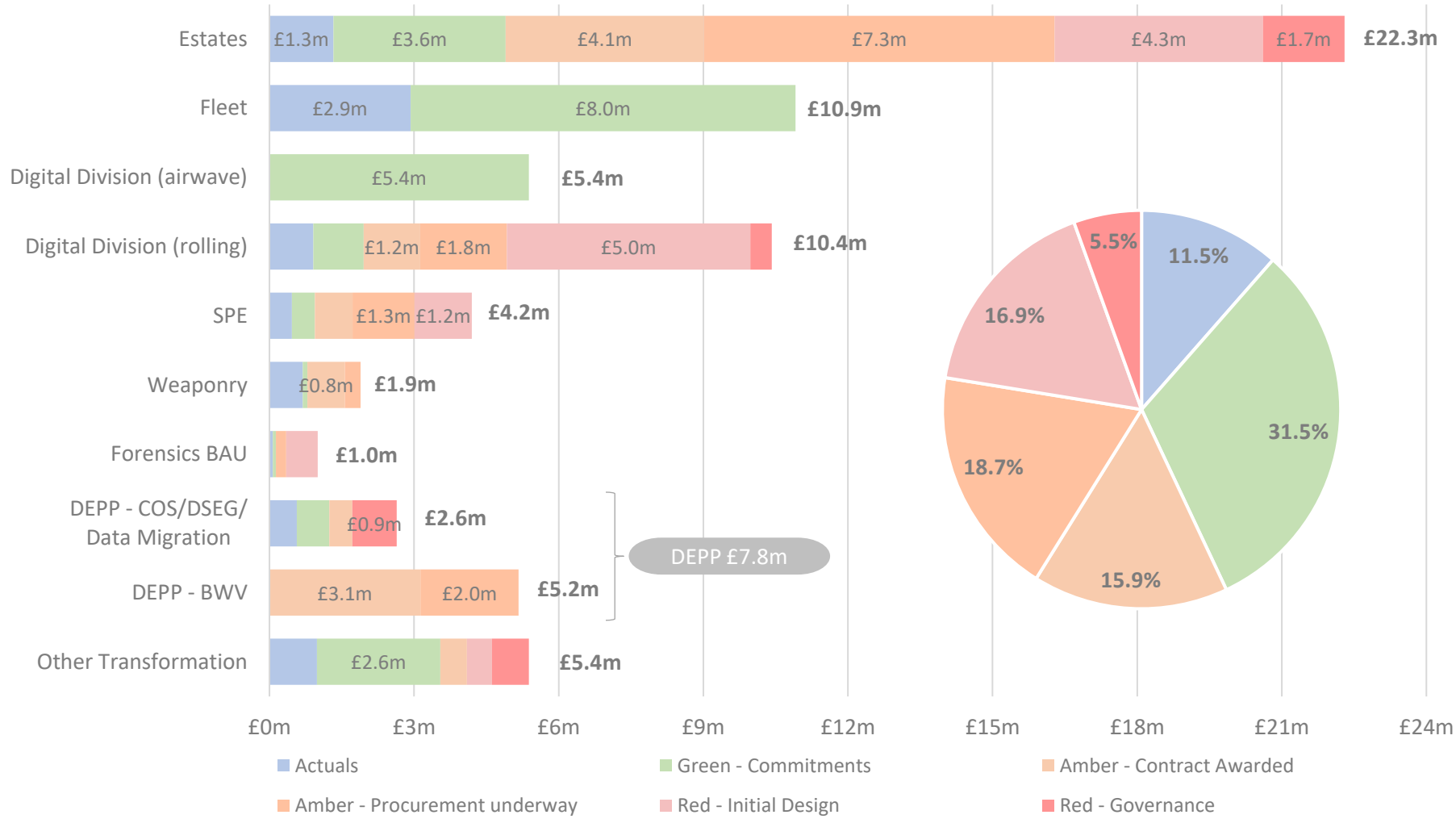
① DEPP = Digitally Enabled Policing Programme

# Capital

As at Period 3 £29.7m is spent or committed to date.

This leaves £36.4m still to be committed plus IFRS16 ROU assets £1.4m to meet the funded position of £67.5m

## Capital by categorisation of spend status (£m) – Total £69.3m (before slippage and IFRS ROU assets)



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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

G	G	G
Apr	May	Q1

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

## Year to date: £0.5m over budget

- EPF £0.3m under and other projects (ESR) £0.3m under mainly due to slippage / delays in programme spend.
- Offset by anticipated slippage of £1.1m.

## Forecast: £0.1m over budget

- £0.1m funded overspend offset with additional grant funding.
- £3.6m slippage identified (see below).
- Q1 forecast variances:
  - Transformational resource £1.9m under due to slippage in recruitment timescales
  - DEPP £0.3m under due to delays in BWV
  - Training and Capability (PDW) £1m under due to delay in the business case
  - Estates Transformation £0.5m under.
  - Digital Division £0.4m over due to O365 support maintenance costs delayed from prior year.

## £1.9m of slippage to be delivered

- £3.6m of slippage identified to date, £1.9m 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	Q1 FC £m	Var. £m
Transformation resource	3.2	3.4	(0.2)	15.6	13.7	1.9
Estates transformation	0.3	0.4	(0.1)	3.3	2.8	0.5
Policing in a digital world	0.0	0.0	0.0	2.9	2.0	0.9
EPF ①	0.3	0.0	0.3	1.1	0.8	0.3
DEPP ②	0.0	0.0	0.0	0.9	0.6	0.3
MC&E ③	0.2	0.1	0.1	0.8	0.6	0.2
Digital Division	0.1	0.0	0.1	0.8	1.2	(0.4)
DDD ④	0.1	0.1	0.0	0.7	0.8	(0.1)
LPP ⑤	0.1	0.0	0.1	0.4	0.4	0.0
P&D Programme	0.1	0.1	0.0	0.3	0.2	0.1
Other projects	0.9	0.6	0.3	3.7	3.9	(0.2)
<b>Total before slippage</b>	<b>5.3</b>	<b>4.7</b>	<b>0.6</b>	<b>30.5</b>	<b>27.0</b>	<b>3.5</b>
Slippage	(1.1)	(0.0)	(1.1)	(5.5)	(1.9)	(3.6)
	<b>4.2</b>	<b>4.7</b>	<b>(0.5)</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>

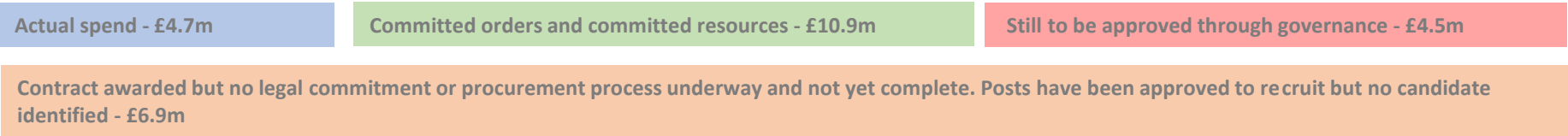
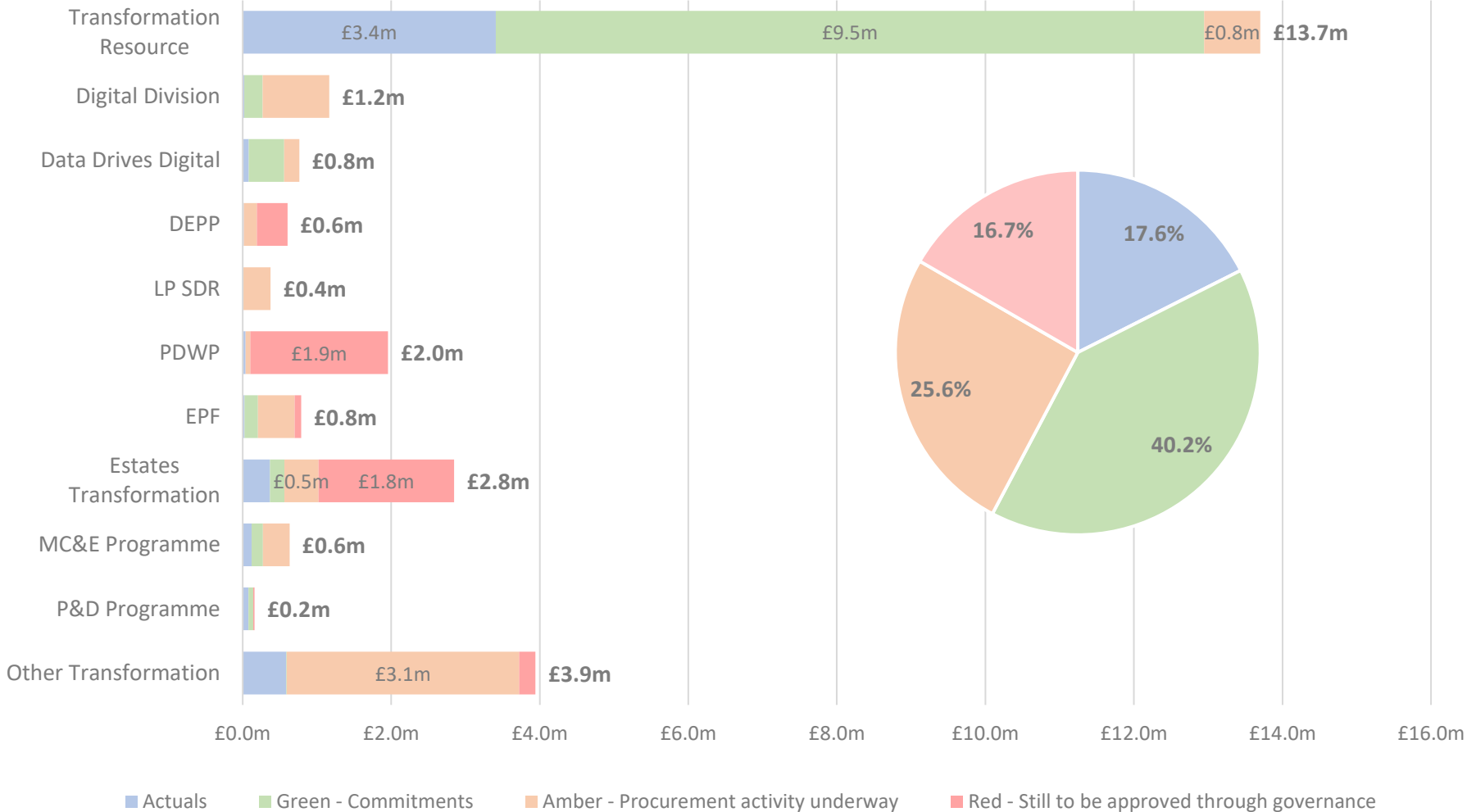
① EPF = Enabling Policing for the Future  
 ② DEPP = Digitally Enabled Policing Programme  
 ③ MC&E = Modern Contact & Engagement  
 ④ DDD = Data Drives Digital  
 ⑤ LPP = Local Policing Programme

# Reform

As at Period 3 £15.6m is spent or committed to date

This leaves £9.5m still to be committed to meet the funded position of £25.1m

## Reform by categorisation of spend status (£m) – Total £27.0m (before slippage)



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

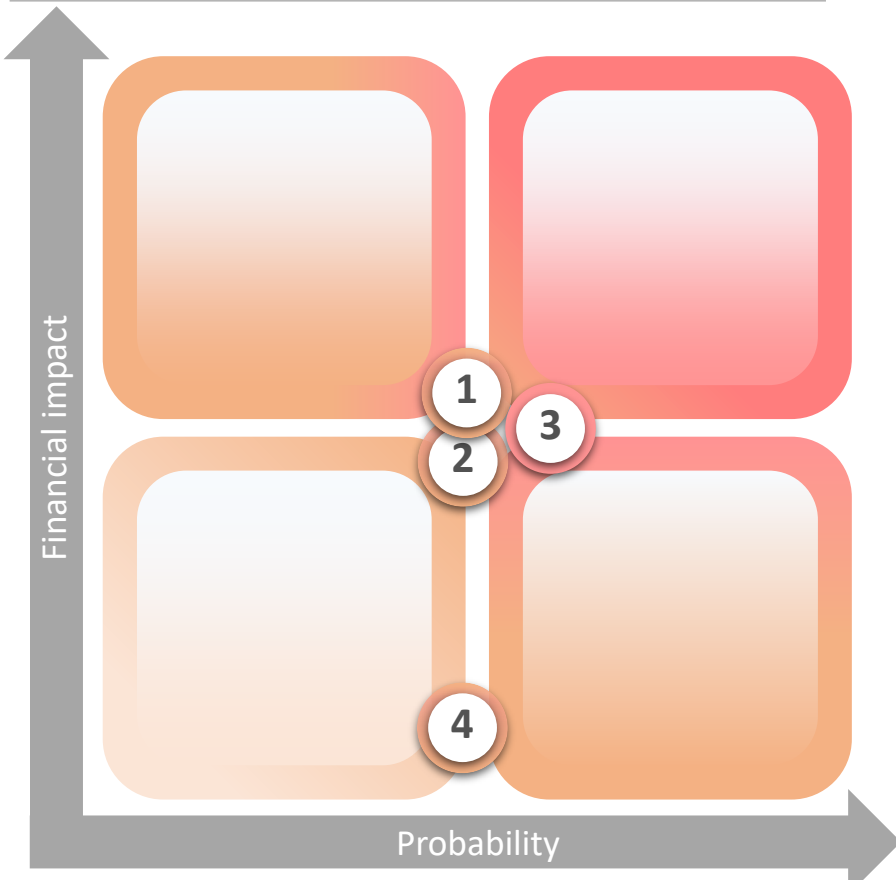
# **Risk Analysis**

# Risk analysis

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

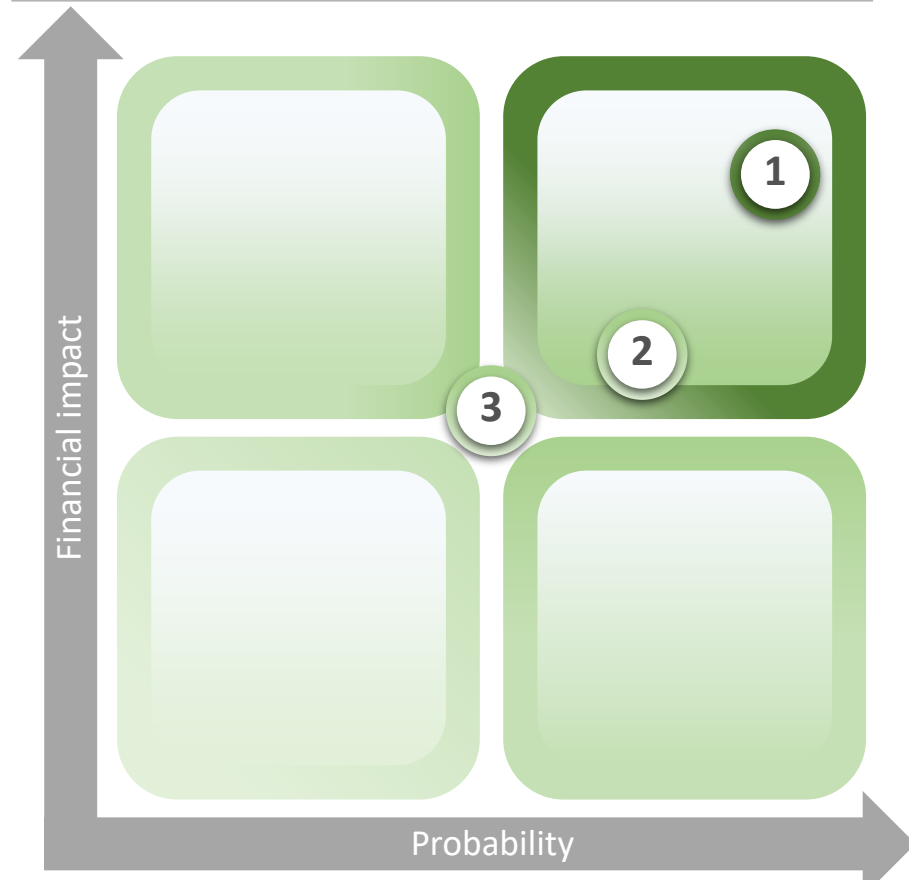
Threats and opportunities risks will continue to be monitored in Q2.

## 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 - 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 - an assumption has been made regarding cost of VR / VER exit packages - actual cost TBC.
2. Revenue Investment Group approved bids included in the Q1 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.



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

SCOTTISH POLICE  
**AUTHORITY**

**Finance**

Corporate Finance team

# Appendix B

## Budget revision

### Quarter 1 2024/25





# Revenue

VRVER savings originally budgeted in the Corporate Centre - £7.4m net of slippage reallocated to the divisions realising the saving

Police Officer OT Contingency held centrally within DCC Professionalism, Strategy and Engagement – amount drawn down to date by the divisions £0.6m

Allocation of in-year budget £0.5m to Digital Division for staff posts

## Budget virements

### VRVER budget virement

- In-year savings relating to the VR/VER exercise were originally budgeted within the Corporate Centre.
- When VRVER leavers exited the organisation, in-year budget was removed from the divisions in respect of the posts deleted.
- The amount of in-year budget savings realised net of slippage to date is £7.4m. This equates to £8.9m on a full year basis below the target of £10.3m.
- Organisational change throughout the year may achieve the balance of savings required.

### Police officer OT contingency

- Included in the OT budget is £1.6m police officer core overtime contingency which is currently held within the DCC Professionalism, Strategy and Engagement portfolio.
- This contingency is to be used for one-off, large scale, unexpected major operations or events which would otherwise be unaffordable/cause a spike in spend within divisions.
- To date £0.6m has been approved by the Overtime Management Group - £0.4m to DCCLP, £0.1m to DCCCOS and £0.1m to DCCPSE.

## Budget virements (cont'd)

### Digital Division posts

- In-year budget of £0.5m is allocated to the division for post holders returning from / being extended in reform roles.

### Approval required

- The table provided below highlights the reallocation of budget by business area. There is no movement in overall spend categories as these net to zero.
- CFPB and SPA Resources Committee are asked formally to approve the budget virements between each area.

## Budget virements (£m)

By business area	VRVER Budget £m	OT Budget £m	DD posts £m	Total £m
DCC Local Policing	(2.2)	0.4	0.0	(1.8)
DCC Crime & Op Support	(1.7)	0.1	0.0	(1.6)
DCC Professionalism, Strategy and Engagement	(1.9)	(0.5)	0.0	(2.4)
DCC Corporate	(1.6)	0.0	0.5	(1.1)
Corporate Centre	7.4	0.0	(0.5)	6.9
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>