



<b>Meeting</b>	<b>Authority Meeting</b>
<b>Date</b>	<b>30 November 2023</b>
<b>Location</b>	<b>COSLA, Edinburgh</b>
<b>Title of Paper</b>	<b>Financial Performance Quarterly 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>Appendix A – Quarter 2 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 of the financial year 2023/24.

Members are invited to discuss the contents of this paper.

## 1. BACKGROUND

- 1.1 The Board approved the 2023-24 annual budget on 23 March 2023. This budget sets 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 £80m (6.4%) in 2023-24. Although this uplift is not as severe as the flat cash position indicated by the Resource Spending Review, it still represented a real terms reduction in funding when set against the additional cost of 2022/23 pay award (£37.0m), leaving only £43.0m to fund unavoidable pay and non-pay pressures for 2023/24.
- 1.3 In order to live within the budget settlement and deliver a balanced budget, over £50m of savings have been proposed in the 2023/24 budget. Plans included reducing the workforce through a reduction in officer and staff numbers and options to reduce non-pay expenditure.
- 1.4 Pay award budgeting was in line with Public Sector Pay Strategy (PSPS). Pay awards through negotiation at both Police Negotiating Board (PNB) and Trade Unions were agreed in September. As part of the pay negotiations, the additional funding required (£18.3m) to support the process was underwritten by the Scottish Government.
- 1.5 A flat capital funding allocation of £53m (including capital receipts) has been confirmed for 2023-24 and reform funding to support change and the transformation has been baselined at £20m, representing a 20% reduction in reform from previous years. As a result, in the reduction of reform funding from £25m to £20m, it was agreed by the Board to contribute £5m of core revenue budget funding to reform to support change and transformation.

## 2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 A number of financial risks were highlighted as part of the budget approval process, some of which have materialised in the first half of the financial year causing significant pressure on the 2023-24 revenue position.
- 2.2 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.

- 2.3 Due to significant financial challenges the Scottish Police Authority are facing this year, mitigating actions been agreed by Police Scotland Force Executive to bring the revenue and reform budgets collectively back to a break-even position. These specific actions will be monitored on a weekly/fortnightly basis, with regular monthly reporting to the Police Scotland Executive and SPA Resources Committee members, to provide assurance to the Authority of oversight of progress against delivery of the above plans.
- 2.4 Appendix A provides the detailed quarter two (Q2) finance report.

### **Revenue**

- The Q1 forecast originally presented to SPA Resources Committee on 8 August 2023 highlighted net unfunded pressures of £18.9m, mainly due to overspends relating to pay; police staff costs, police officer overtime and police officer pensions.
- Mitigating actions and savings are being managed and delivered through our Policing Our Communities programme to bring spend back in line with the funded position.
- The Q2 forecast has been updated to take account of all known movements since Q1, including updates to the cost reduction and savings plans, providing a net Q2 forecast overspend of £0.9m. This is offset by a £0.9m forecast underspend in Reform resulting in an overall breakeven position.
- The Q2 position is very challenging. It is critical that the mitigating plans included in the forecast, some of which are out with the organisation's control, are delivered in full over the remainder of the financial year to ensure a balanced position in line with funding.
- Achieving this position will require a continued significant effort across the organisation.
- The year-to-date actual position versus budget is an overspend of £7.7m.

## **Capital**

- The capital forecast at Q2 is £52.9m (fully funded), £0.1m under the budget position of £53.0m, but still requires slippage of £17.3m to be managed across the remainder of the financial year.
- The year-to-date actual position versus budget is an overspend of £1.4m.
- As at Period 6 and Q2, £57.8m is spent or committed to date, which is £4.9m higher than the £52.9m funding available. As a result, no further capital commitments will be made in 2023-24 and the overall position will be actively managed across the remainder of the financial year.

## **Reform**

- The Q2 forecast highlights that reform funding has reduced to £20.0m as a result of the decisions and mitigating actions agreed to help balance the 2023/24 revenue position.
- The Q2 forecast is an underspend of £0.9m against this funding. This is offset by a £0.9m forecast overspend in Revenue resulting in an overall breakeven position for the Scottish Police Authority against a funded position.
- The Reform position will continue to be monitored, alongside the revenue position, over the remainder of the financial year.
- The year-to-date actual position versus budget is an underspend of £0.1m.

## **3. FINANCIAL IMPLICATIONS**

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

## **4. PERSONNEL IMPLICATIONS**

4.1 Mitigating actions agreed by Police Scotland Force Executive will impact on police staff recruitment and police officer/staff overtime.

## **5. LEGAL IMPLICATIONS**

5.1 There are no legal implications in this report.

**6. REPUTATIONAL IMPLICATIONS**

6.1 Failure to 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 Quarter 2 financial position at Appendix A.



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

SCOTTISH POLICE  
**AUTHORITY**

**Finance**

Corporate Finance team

# Appendix A

# Finance report

## Quarter 2 2023/24



# Finance dashboard

Q2 2023/24

Year to Sep 2023

**Revenue**

R	R	R
Jul	Aug	Q2

- YTD £7.7m over budget
- FY Q2 forecast £0.9m over funding (compensated by £0.9m reform underspend)

**Capital**

A	A	R
Jul	Aug	Q2

- YTD £1.4m over budget
- FY Q2 forecast requires ~£17m of slippage to be achieved

**Reform**

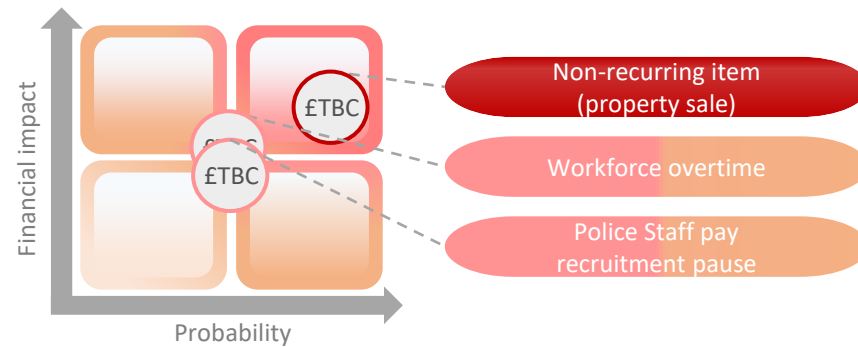
G	A	A
Jul	Aug	Q2

- YTD £0.1m under budget
- FY Q2 forecast £0.9m under funding

## Revenue variance (£m)

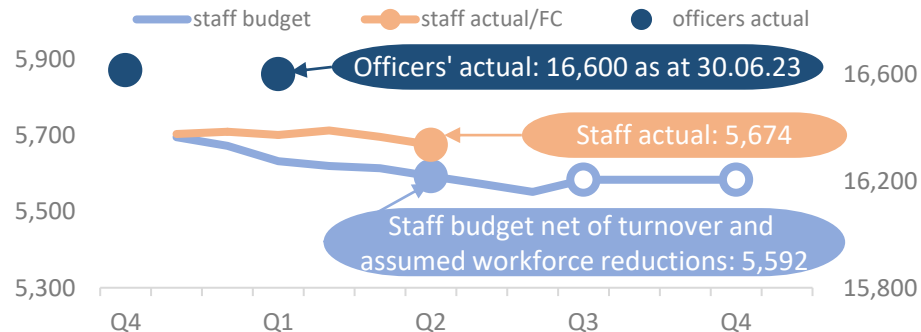
	YTD actual v Budget	FY Q2 FC v Budget
Police Scotland	-7.8	-6.5
Forensic Services	0.0	0.4
SPA corporate	0.1	0.0
<b>Total</b>	<b>-7.7</b>	<b>-6.1</b>
Funding		5.2
<b>Q2 FC over funding</b>		<b>-0.9</b>
Reform underspend		0.9
<b>Q2 FC break-even</b>		<b>0.0</b>

## Threats

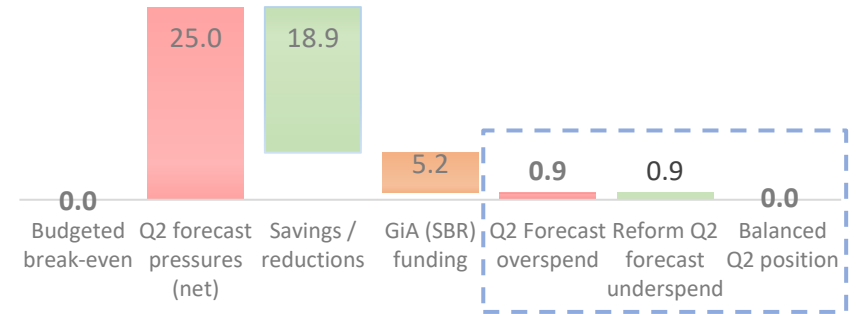


## People numbers (FTE) – Revenue Budget

Staff currently running 82 FTE over budgeting assumptions at P6



## Revenue: Q2 FC position – overall break-even



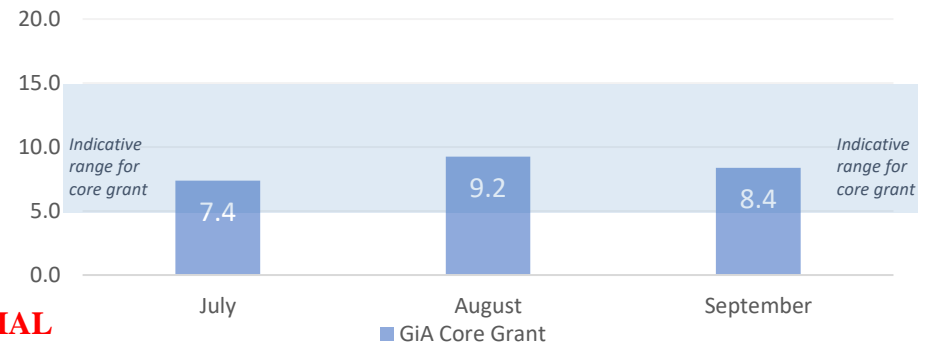
## Q2 FC Mitigating actions tracker

Reductions / Savings must be delivered to ensure an overall balanced forecast position can be maintained across revenue and reform

Non-recurring item (property sale)	Non-pay	Reverse Reform funding (Contribution reduced)
Officer overtime - Core	Other items	Non-recurring item (one-off benefit)
Police Staff pay	Income	Police Officer pay costs
Staff overtime		Further reform reductions

## Cash flow management (£m)

Maintaining cash balances at a moderate level demonstrates effective cash management



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# Revenue (service area)

Forecast deliverability status is critical due to the significant challenge of delivering against savings plans

Q2 net expenditure forecast £6.1m over budget of which £5.2m is funded, leaving a net Q2 forecast overspend of £0.9m

This overspend is offset by a forecast underspend in Revenue Reform of £0.9m which will need to be considered and formalised.

The Q2 FC assumes anticipated funding of £5.2m receivable from Scottish Government as part of the Autumn and Spring Budget Reviews

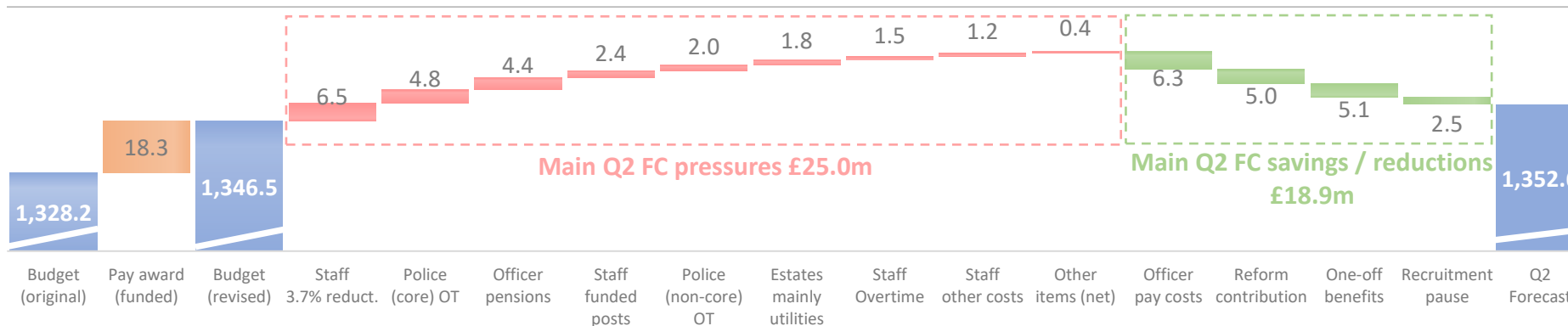
## Q2 forecast position

- Q1 forecast originally highlighted net unfunded pressures of £18.9m, mainly due to overspends relating to pay; police staff costs, police officer overtime and police officer pensions.
- Mitigating actions and savings are being managed and delivered through our Policing Our Communities programme to bring spend back in line with the funded position.
- The Q2 forecast has been updated to take account of all known movements since Q1, including updates to the cost reduction and savings plans, providing a net Q2 forecast overspend of £0.9m. This is offset by a £0.9m forecast underspend in Reform resulting in an overall breakeven position.
- The Q2 position is very challenging. It is critical that the mitigating plans included in the forecast, some of which are out with the organisation's control, are delivered in full over the remainder of the financial year to ensure a balanced position in line with funding.
- Achieving this position will require a continued significant effort across the organisation.

## 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	638.3	646.1	(7.8)	1,296.5	1,303.0	(6.5)
Forensic Services	22.0	22.0	0.0	44.8	44.4	0.4
SPA Corporate	2.6	2.5	0.1	5.2	5.2	0.0
<b>Total expenditure</b>	<b>662.9</b>	<b>670.6</b>	<b>(7.7)</b>	<b>1,346.5</b>	<b>1,352.6</b>	<b>(6.1)</b>
<b>Funding</b>						
GiA – core (original)				1,328.2	1,328.2	0.0
GiA - core (additional)				18.3	18.3	0.0
GiA - other				0.0	5.2	5.2
				<b>1,346.5</b>	<b>1,351.7</b>	<b>5.2</b>
<b>Net Q2 FC overspend</b>				<b>0.0</b>	<b>(0.9)</b>	<b>(0.9)</b>
<i>Reform Q2 FC underspend</i>				<i>0.0</i>	<i>0.9</i>	<i>0.9</i>
<b>Overall break-even position</b>				<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Detailed budget to FY Q2 forecast (£m)



Figures above also include pressures of £5.2m funded through Autumn and Spring Budget Review

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# Revenue

## (service area)

Year to date over budget by £7.7m

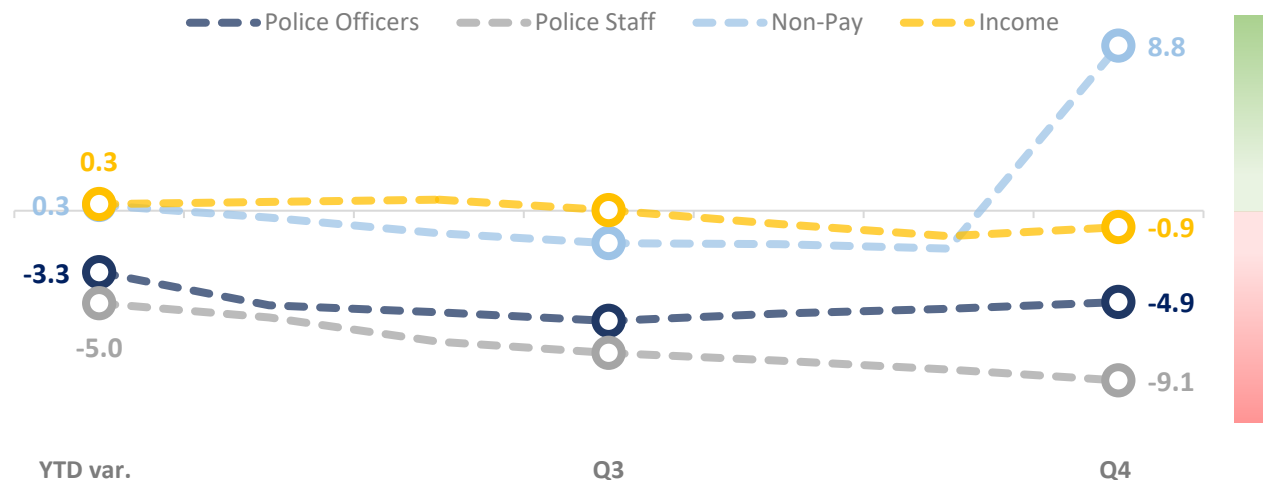
Policing Our Communities programme aim to deliver effective policing within the revenue budget – see savings tracker on page 8

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

	Year to date				Full year			
	Bud £m	Act £m	Var. £m	Var. %	Bud £m	Q2 FC £m	Var. £m	Var. %
Police officers	443.9	447.2	(3.3)	(0.7%)	899.6	904.5	(4.9)	(0.5%)
Police staff	145.2	150.2	(5.0)	(3.4%)	292.1	301.2	(9.1)	(3.1%)
Non-pay	97.2	96.9	0.3	0.3%	201.5	192.7	8.8	4.4%
Income	(23.4)	(23.7)	0.3	1.3%	(46.7)	(45.8)	(0.9)	(1.9%)
<b>Total</b>	<b>662.9</b>	<b>670.6</b>	<b>(7.7)</b>	<b>(1.2%)</b>	<b>1,346.5</b>	<b>1,352.6</b>	<b>(6.1)</b>	<b>(0.5%)</b>

• Figures above also include pressures of £5.2m funded through Autumn and Spring Budget Review

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



### Revenue variances

- Mitigating savings actions are being managed and delivered through our Policing Our Communities programme.
- The Q2 position is very challenging. It is critical that the mitigating plans included in the forecast, some of which are out with the organisation's control, are delivered in full over the remainder of the financial year to ensure a balanced position in line with funding.
- The savings tracker on page 8 shows the revised Q2 FC deliverability plans compared to the original Q1 FC mitigating actions.
- The key risk areas in terms of financial deliverability are potential benefits arising from one-off items, police officer overtime and police staff costs.
- Variances are explained in detail on pages 5 and 6.

# 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	420.1	417.7	2.4	0.6%	852.3	845.8	6.5	0.8%
Overtime - core	8.0	10.3	(2.3)	(28.8%)	16.7	21.5	(4.8)	(28.7%)
Overtime – non-core	1.9	3.2	(1.3)	(68.4%)	3.8	5.8	(2.0)	(52.6%)
Allowances	2.9	2.8	0.1	3.4%	5.6	5.8	(0.2)	(3.6%)
Pensions	11.0	13.2	(2.2)	(20.0%)	21.2	25.6	(4.4)	(20.8%)
<b>Total</b>	<b>443.9</b>	<b>447.2</b>	<b>(3.3)</b>	<b>(0.7%)</b>	<b>899.6</b>	<b>904.5</b>	<b>(4.9)</b>	<b>(0.5%)</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	144.2	148.3	(4.1)	(2.8%)	289.5	297.0	(7.5)	(2.6%)
Overtime	1.0	1.9	(0.9)	(90.0%)	2.3	3.8	(1.5)	(65.2%)
Special constables	0.0	0.0	0.0	0.0%	0.3	0.4	(0.1)	(33.3%)
<b>Total</b>	<b>145.2</b>	<b>150.2</b>	<b>(5.0)</b>	<b>(3.4%)</b>	<b>292.1</b>	<b>301.2</b>	<b>(9.1)</b>	<b>(3.1%)</b>

## Police officer costs

- Police officers - FY overspends relate to core overtime (£4.8m), pension costs (£4.4m - injury £3.3m, ill health £1.5m offset by pension sanction charges £0.4m), non-core overtime (£2.0m), offset by underspends in officer pay & allowances (£6.3m).

## Police staff costs

- Police staff - relates to vacancy management savings not achieved (£6.5m), staff costs not budgeted that will be funded at SBR (£2.4m), other items (£1.2m), overspend on staff overtime (£1.5m) offset by recruitment pause savings (£2.5m).

# 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	2.3	2.0	0.3	13.0%	5.2	4.3	0.9	17.3%
Premises	33.5	34.1	(0.6)	(1.8%)	68.6	70.4	(1.8)	(2.6%)
Transport	10.8	11.1	(0.3)	(2.8%)	21.4	21.5	(0.1)	(0.5%)
Supplies & Services	19.5	18.8	0.7	3.6%	39.6	39.0	0.6	1.5%
ICT	16.5	17.2	(0.7)	(4.2%)	33.8	35.0	(1.2)	(3.6%)
Administration	5.6	4.7	0.9	16.1%	11.3	10.8	0.5	4.4%
Third party payments	7.1	7.6	(0.5)	(7.0%)	14.5	15.3	(0.8)	(5.5%)
Other	1.9	1.4	0.5	26.3%	7.1	(3.6)	10.7	150.1%
<b>Total</b>	<b>97.2</b>	<b>96.9</b>	<b>0.3</b>	<b>0.3%</b>	<b>201.5</b>	<b>192.7</b>	<b>8.8</b>	<b>4.4%</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)	(3.5)	(0.7)	(16.7%)	(11.0)	(7.3)	(3.7)	(33.6%)
LA funded officers and staff	(2.3)	(3.0)	0.7	30.4%	(4.6)	(6.5)	1.9	41.3%
Public fees	(2.1)	(2.2)	0.1	4.8%	(4.1)	(4.6)	0.5	12.2%
Rental and hire	(3.6)	(3.5)	(0.1)	(2.8%)	(7.2)	(7.3)	0.1	1.4%
Mutual aid	(0.8)	(0.8)	0.0	0.0%	(1.6)	(0.9)	(0.7)	(43.8%)
Services of police	(7.5)	(7.7)	0.2	2.7%	(12.4)	(12.4)	0.0	0.0%
Seconded officers	(0.6)	(0.8)	0.2	33.3%	(1.3)	(1.5)	0.2	15.4%
Other income	(2.3)	(2.2)	(0.1)	(4.3%)	(4.5)	(5.3)	0.8	17.8%
<b>Total</b>	<b>(23.4)</b>	<b>(23.7)</b>	<b>0.3</b>	<b>1.3%</b>	<b>(46.7)</b>	<b>(45.8)</b>	<b>(0.9)</b>	<b>(1.9%)</b>

## Non-pay

- Other costs (£10.7m under) - reduction in Revenue contribution to Reform (£5.0m), one-off potential benefit from non-recurring items (£4.9m) and other items (£0.8m).
- Premises costs (£1.8m over) – mainly relates to utilities
- Other non-pay costs (£0.1m over, net).

## Income

- Mainly budgeted one-off NCA income not realised (£2.8m) offset by over-additional local authority funded officers from Lothian & Borders (£1.5m) and other items net (£0.4m).

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# Revenue

## (further business area detail)

Q2 Forecast reflects the mitigating savings actions that have been devolved to local areas through our Policing Our Communities programme to bring spend back in line with a funded position

### DCC Local Policing

- Overspends in police staff costs (£3.0m), police officer core overtime (£2.8m), staff overtime (£1.3m) and police officer non-core overtime (£1.2m) offset by an over-recovery of income (£1.7m).

	£m	FTE
Budget	146.6	2,584.9
Q2 Forecast	153.2	2,592.3
<b>FY variance</b>	<b>(6.6)</b>	<b>(2.4)</b>
<i>YTD variance</i>	<i>(3.3)</i>	<i>(18.8)</i>

### Deputy Chief Officer

- Overspends in estates costs, mainly utilities (£1.8m), ill health pension costs (£1.5m) and other non-pay costs (£0.2m, net) offset by underspends in police staff costs (£1.8m) and over-recovery of income (£0.2m).

	£m	FTE
Budget	183.2	1,163.1
Q2 Forecast	184.7	1,127.4
<b>FY variance</b>	<b>(1.5)</b>	<b>35.7</b>
<i>YTD variance</i>	<i>(0.9)</i>	<i>14.7</i>

### DCC Crime & Op Support

- Under-recovery of income (£3.8m), overspend in police officer core overtime (£1.9m) offset by underspend in non-pay costs (£1.6m) and police staff costs (£1.0m).

	£m	FTE
Budget	53.0	774.3
Q2 Forecast	56.1	737.0
<b>FY variance</b>	<b>(3.1)</b>	<b>37.3</b>
<i>YTD variance</i>	<i>(1.0)</i>	<i>27.4</i>

### Corporate centre

- Underspend in police officers pay costs (£6.3m), reduction in contribution to Reform (£5.0m) and potential benefit from one-off items (£4.9m) offset by overspend relating to vacancy management savings not achieved (£6.5m), police officer injury pension (£3.3m), staff costs funded at SBR (£1.9m) and other items (£0.4m, net).

	£m	FTE
Budget	872.1	16,455.3
Q2 Forecast	868.0	16,502.2
<b>FY variance</b>	<b>4.1</b>	<b>(46.9)</b>
<i>YTD variance</i>	<i>(3.0)</i>	<i>(97.8)</i>

### DCC Professionalism, Strategy and Engagement

- Underspend in non-pay (£0.5m) and over-recovery of income (£0.1m).

	£m	FTE
Budget	41.6	574.2
Q2 Forecast	41.0	564.3
<b>FY variance</b>	<b>0.6</b>	<b>9.9</b>
<i>YTD variance</i>	<i>0.4</i>	<i>5.4</i>

### Forensics services & SPA corporate

- Forensic Services (£0.4m under) - relates to underspend in staff costs (£1.1m) offset by third party outsourcing costs (£0.7m).
- SPA Corporate (in line with budget) - no material variances.

	£m	FTE
Budget	50.0	644.0
Q2 Forecast	49.6	602.0
<b>FY variance</b>	<b>0.4</b>	<b>42.0</b>
<i>YTD variance</i>	<i>0.1</i>	<i>33.8</i>

# Mitigating actions tracker

Savings / reductions have been built into the Q2 forecast and must be delivered to ensure a balanced forecast position

Savings / reductions consist of £18.0m of revenue budget and £0.9m of revenue reform

The overall forecast deliverability will remain critical until the savings from the mitigating actions are realised or alternative savings found. These will be monitored over the coming weeks and months

Category	Action	Original Q1 FC saving from mitigating actions (£m)	Updated Q2 FC savings (net) (£m)	Financial deliverability of Q2 FC savings
Officer overtime - Core	Reduce overtime activity – overtime savings have decreased through the Q2 forecast review.	(5.4)	(2.2)	
Non-pay	Targeted non-pay reduction – full review has occurred since Q1 FC	(3.6)	(2.0)	
Reverse Reform funding	Reduce revenue contribution to reform – agreement now reached to reduce contribution by £5m.	(3.0)	(5.0)	
Police Staff pay	Implementation of recruitment pause (£2.5m) and other savings (£1.3m)	(2.5)	(3.8)	
Non-recurring items	One-off benefit	(2.0)	(1.9)	
Non-recurring items	Potential sale of estate property – outcome is mainly outside the control of the Police Authority	N/A	(3.0)	
Income	Additional income generation (excludes one-off loss of NCA income shown under other items)	(1.5)	(1.9)	
Staff overtime	Reduce overtime activity – savings have not materialised	(0.9)	(0.2)	
Police officer pay costs	Pause probationer intake for January 2024 (£1.6m) and other savings (£0.4m)	N/A	(2.0)	
Reform	Further reduction in reform spend	N/A	(0.9)	
Other items	Loss of one-off NCA income (£2.8m), Police officer non-core overtime (£0.9m, funded), pensions (£0.4m) offset by other items (£0.1m)	N/A	4.0	
		<b>18.9</b>	<b>18.9</b>	

# Capital

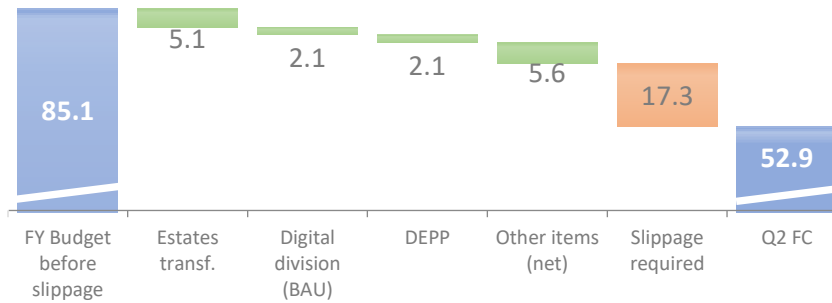
Forecast deliverability status has changed to red

FY Q2 forecast requires £17.3m slippage to be managed across the remainder of the financial year

Over 65% of funding has been spent to date. Capital expenditure will need to be slowed or stopped to manage spend in line with the funding available

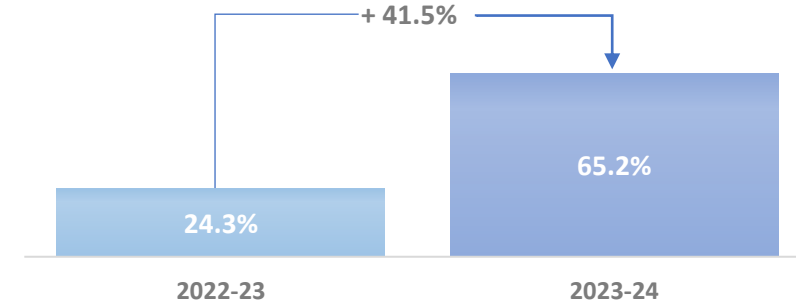
As a result, it is proposed that **no further commitments** are made in the current financial year unless there is explicit approval from the Deputy Chief Officer / Capital Investment Group

## Forecast: movement budget to Q2 FC (£m)

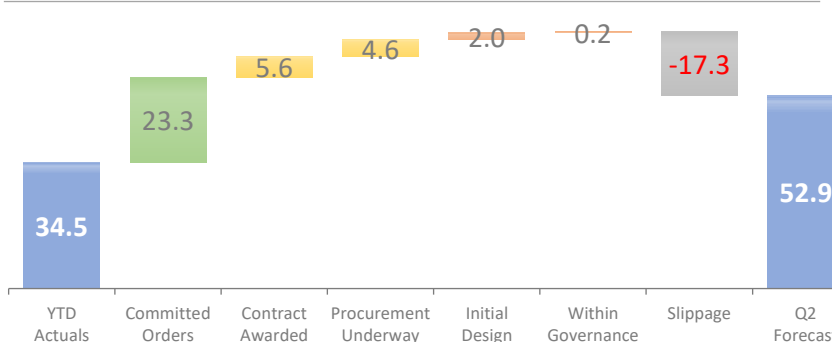


## Year to date : % of forecast spent

Capital spend shows improvement compared to last year but will need to be managed / prioritised over the rest of the year



## Forecast: spend profile overview (£m)



## Capital variance by programme (£m)

	Year to date			Full year		
	Budget £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Fleet	12.1	12.1	0.0	14.5	14.1	0.4
Digital Division (ICT)	5.9	4.8	1.1	13.9	11.8	2.1
Estates	9.7	6.8	2.9	12.9	13.0	(0.1)
EV Infrastructure	2.8	1.8	1.0	5.3	3.8	1.5
SPE	2.4	1.3	1.1	5.0	5.0	0.0
Weaponry	1.1	0.4	0.7	2.2	2.3	(0.1)
Forensic services	0.8	0.3	0.5	1.8	1.0	0.8
<i>Change: legislative &amp; inflight</i>						
Estates transformation	8.0	3.5	4.5	15.0	9.9	5.1
DEPP ①	2.1	1.0	1.1	4.7	2.6	2.1
DDD ②	0.7	1.0	(0.3)	3.0	2.4	0.6
RJLP ③	0.1	0.3	(0.2)	2.3	0.7	1.6
Policing in a digital world	0.0	0.0	0.0	1.5	0.4	1.1
Digital Division	0.2	0.1	0.1	0.9	0.5	0.4
MC&E ④	0.4	0.7	(0.3)	0.5	1.5	(1.0)
Other projects	0.5	0.4	0.1	1.6	1.2	0.4
<b>Total before slippage</b>	<b>46.8</b>	<b>34.5</b>	<b>12.3</b>	<b>85.1</b>	<b>70.2</b>	<b>14.9</b>
Slippage	(13.7)	(0.0)	(13.7)	(32.1)	(17.3)	(14.8)
<b>Total</b>	<b>33.1</b>	<b>34.5</b>	<b>(1.4)</b>	<b>53.0</b>	<b>52.9</b>	<b>0.1</b>
<b>Funding</b>						
GIA - core				50.1	50.1	0.0
Capital receipts				2.9	1.3	(1.6)
Other				0.0	1.5	1.5
<b>Total</b>				<b>53.0</b>	<b>52.9</b>	<b>(0.1)</b>

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① DEPP = Digitally Enabled Policing Programme

② DDD = Data Drives Digital

③ RJLP = Rights & Justice Legislative Programme

④ MC&E = Modern Contact & Engagement

# Capital

As at Period 6 and Q2 FC, £57.8m out of £70.2m is spent or committed to date - ~£4.9m more than the funding available

As a result, **no further commitments** to be made in the current financial year, with £4.9m slippage still required within the committed spend category

Capital expenditure that is not yet committed should continue to be progressed, but only for delivery after 1 April 2024

Exceptions to be considered on a case-by-case basis and will require explicit approval from the Deputy Chief Officer / Capital Investment Group to progress

① DEPP = Digitally Enabled Policing Programme

② DDD = Data Drives Digital

③ RJLP = Rights & Justice Legislative Programme

④ MC&E = Modern Contact & Engagement

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## Capital spend / forecast by categorisation of spend timeline and status (£m)

	Year to Date			Q2 FY Forecast £m	Category					
	Budget	Actuals	Variance		Actual	Committed	Contract Awarded	Procurement Underway	Initial Design	Within Governance
	£m	£m	£m		£m	£m	£m	£m	£m	£m
Fleet	12.1	12.1	0.0	14.1	12.1	2.0	0.0	0.0	0.0	0.0
Digital Division (ICT)	5.9	4.8	1.1	11.8	4.8	4.2	2.0	0.7	0.1	0.0
Estates	9.7	6.8	2.9	13.0	6.8	2.8	3.1	0.3	0.0	0.0
EV Infrastructure	2.8	1.8	1.0	3.8	1.8	2.0	0.0	0.0	0.0	0.0
SPE	2.4	1.3	1.1	5.0	1.3	0.8	0.1	1.6	1.2	0.0
Weaponry	1.1	0.4	0.7	2.3	0.4	0.7	0.0	0.5	0.7	0.0
Forensic services	0.8	0.3	0.5	1.0	0.3	0.3	0.0	0.4	0.0	0.0
<i>Change: legislative &amp; inflight</i>										
Estates transformation	8.0	3.5	4.5	9.9	3.5	5.3	0.0	1.1	0.0	0.0
DEPP ①	2.1	1.0	1.1	2.6	1.0	1.5	0.1	0.0	0.0	0.0
DDD ②	0.7	1.0	(0.3)	2.4	1.0	1.4	0.0	0.0	0.0	0.0
RJLP ③	0.1	0.3	(0.2)	0.7	0.3	0.3	0.0	0.0	0.0	0.1
Policing in a digital world	0.0	0.0	0.0	0.4	0.0	0.3	0.0	0.0	0.0	0.1
Digital Division	0.2	0.1	0.1	0.5	0.1	0.4	0.0	0.0	0.0	0.0
MC&E ④	0.4	0.7	(0.3)	1.5	0.7	0.8	0.0	0.0	0.0	0.0
Other Projects	0.5	0.4	0.1	1.2	0.4	0.5	0.3	0.0	0.0	0.0
<b>Total before slippage</b>	<b>46.8</b>	<b>34.5</b>	<b>12.3</b>	<b>70.2</b>	<b>34.5</b>	<b>23.3</b>	<b>5.6</b>	<b>4.6</b>	<b>2.0</b>	<b>0.2</b>
Slippage Management	(13.7)	(0.0)	(13.7)	(17.3)	(0.0)	(4.9)	(5.6)	(4.6)	(2.0)	(0.2)
<b>Total</b>	<b>33.1</b>	<b>34.5</b>	<b>(1.4)</b>	<b>52.9</b>	<b>34.5</b>	<b>18.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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# Reform

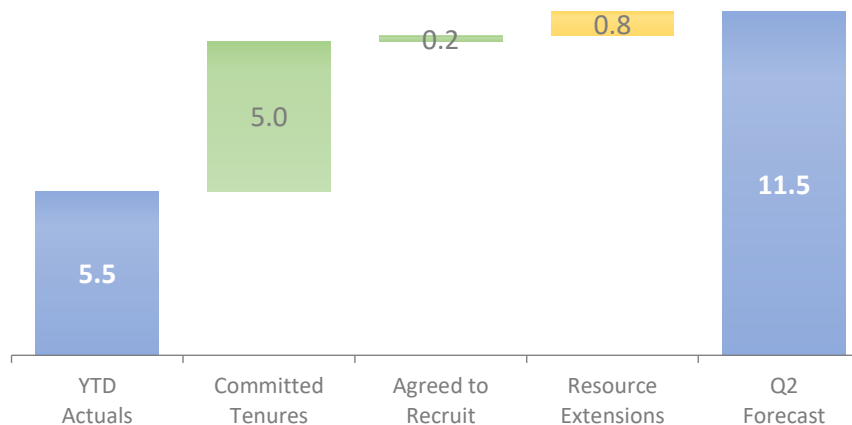
Forecast deliverability status remains at amber

Q2 expenditure forecast is an underspend of £0.9m against funding

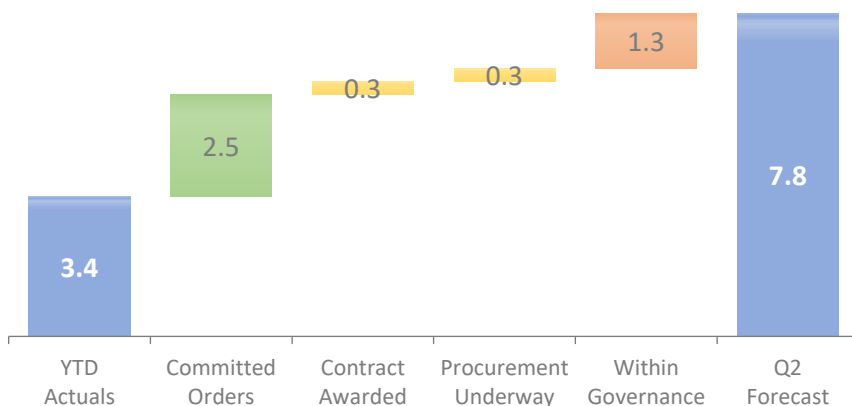
As a result of mitigating actions, the revenue contribution to Reform has reduced by £5.0m

Year to date under budget by £0.1m

## Pay forecast: spend profile overview (£m)



## Non-pay forecast: spend profile (£m)



## 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	5.5	1.6	17.2	11.5	5.7
Estates transformation	1.4	0.3	1.1	5.0	0.9	4.1
P&D Programme	0.7	0.2	0.5	2.7	0.7	2.0
MC&E ①	1.4	1.1	0.3	1.7	1.7	0.0
Policing in a digital world	0.1	0.1	0.0	1.4	0.4	1.0
Digital Division	0.3	0.3	0.0	1.4	0.8	0.6
VR/VER	0.4	0.4	0.0	1.3	0.8	0.5
EPF ② (incl. Corporate Change)	0.2	0.1	0.1	0.7	0.7	0.0
DDD ③	0.2	0.1	0.1	0.4	0.3	0.1
Other projects	1.2	0.8	0.4	4.6	1.5	3.1
<b>Total before slippage</b>	<b>13.0</b>	<b>8.9</b>	<b>4.1</b>	<b>36.4</b>	<b>19.3</b>	<b>17.1</b>
Slippage	(4.0)	(0.0)	(4.0)	(11.4)	(0.0)	(11.4)
	<b>9.0</b>	<b>8.9</b>	<b>0.1</b>	<b>25.0</b>	<b>19.3</b>	<b>5.7</b>
Contribution from Revenue Budget				(5.0)	(0.0)	(5.0)
<b>Total</b>				<b>20.0</b>	<b>19.3</b>	<b>0.7</b>
<b>Funding</b>						
GIA - core				20.0	20.0	0.0
Other grant funding				0.0	0.2	0.2
				<b>20.0</b>	<b>20.2</b>	<b>0.2</b>
<b>Net Q2 FC underspend</b>				<b>0.0</b>	<b>0.9</b>	<b>0.9</b>

① MC&E = Modern Contact & Engagement

② EPF = Enabling Policing for the Future

③ DDD = Data Drives Digital



# Reform

As at Period 6 and Q2 FC, £16.6m out of £19.3m is spent or committed to date

This leaves £2.7m still to be committed

Natural slippage can be expected within the committed expenditure but unlikely to be of any significant value

The Reform position is currently being reviewed to determine if further savings can be identified to support the overall financial position

## Reform spend / forecast by categorisation of spend timeline and status (£m)

	Year to Date			Q2 FY Forecast	Category (Pay and Non-pay)					
	Budget	Actuals	Variance		Actual	Committed	Contract Awarded	Pay Extensions	Procurement underway	Within Governance
	£m	£m	£m		£m	£m	£m	£m	£m	£m
Transformation Resource	7.1	5.5	1.6	11.5	5.5	5.2	0.0	0.8	0.0	0.0
Estates Transformation	1.4	0.3	1.1	0.9	0.3	0.4	0.0	0.0	0.2	0.0
P&D Programme	0.7	0.2	0.5	0.7	0.2	0.4	0.0	0.0	0.0	0.1
MC&E ①	1.4	1.1	0.3	1.7	1.1	0.4	0.2	0.0	0.0	0.0
Policing in a Digital World	0.1	0.1	0.0	0.4	0.1	0.0	0.1	0.0	0.1	0.1
Digital Division	0.3	0.3	0.0	0.8	0.3	0.5	0.0	0.0	0.0	0.0
VR/VER	0.4	0.4	0.0	0.8	0.4	0.4	0.0	0.0	0.0	0.0
EPF ② (incl. Corporate Change)	0.2	0.1	0.1	0.7	0.1	0.2	0.0	0.0	0.0	0.4
DDD ③	0.2	0.1	0.1	0.3	0.1	0.2	0.0	0.0	0.0	0.0
Other Projects	1.2	0.8	0.4	1.5	0.8	0.0	0.0	0.0	0.0	0.7
<b>Total before slippage</b>	<b>13.0</b>	<b>8.9</b>	<b>4.1</b>	<b>19.3</b>	<b>8.9</b>	<b>7.7</b>	<b>0.3</b>	<b>0.8</b>	<b>0.3</b>	<b>1.3</b>
Slippage Management	(4.0)	0.0	(4.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total</b>	<b>9.0</b>	<b>8.9</b>	<b>0.1</b>	<b>19.3</b>	<b>8.9</b>	<b>7.7</b>	<b>0.3</b>	<b>0.8</b>	<b>0.3</b>	<b>1.3</b>

① MC&E = Modern Contact & Engagement

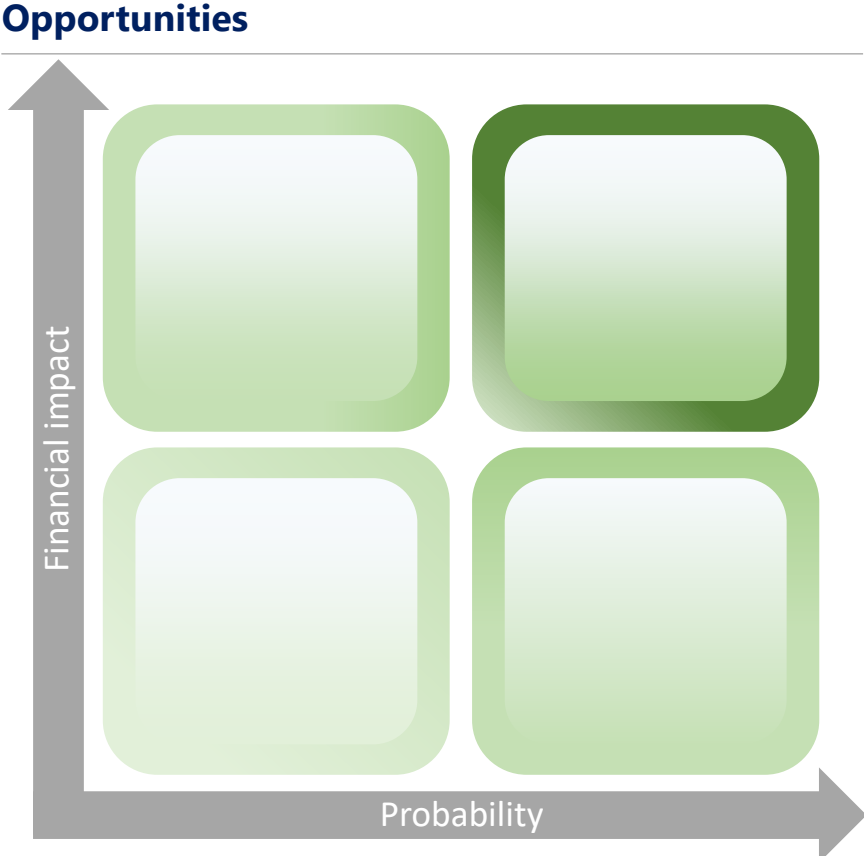
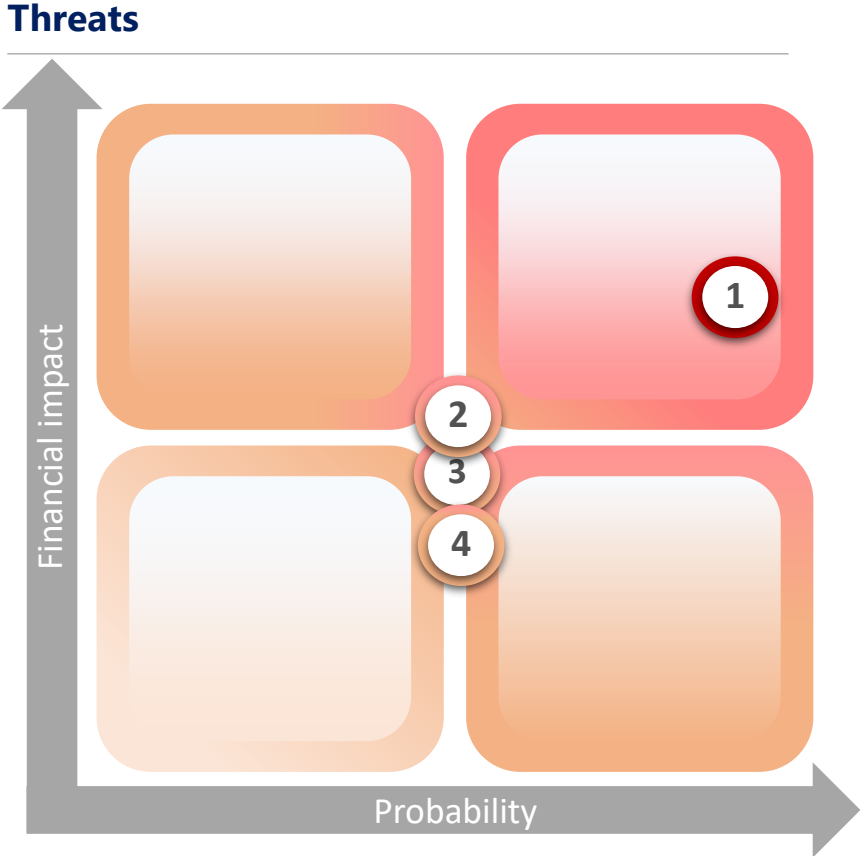
② EPF = Enabling Policing for the Future

③ DDD = Data Drives Digital

# Risk analysis

The revenue forecast is carrying risks that may materialise, mainly attached to the deliverability of the agreed mitigating actions

Threats and opportunities risks will continue to be monitored on a weekly and monthly basis for the rest of the year



1. One-off non-recurring item – forecast assumes that a one-off benefit with regards to a property sale will be delivered but comes with significant risk attached as delivery is out with the organisation’s control.
2. Workforce overtime - current use of overtime is not sustainable in the long-term creating a risk that spend cannot be managed within budget/forecast.
3. Assumed Police Scotland staff savings arising from a pause in recruitment. Forecast includes attrition assumptions but comes with a risk attached.
4. Other savings included in the forecast will need to be delivered throughout the remaining part of the year.