SCOTTISH POLICE AUTHORITY
ÙGHDARRAS POILIS NA H-ALBA

Agenda Item 8.1

Meeting	**SPA Authority Meeting**
Date	**27 November 2025**
Location	**COSLA, Edinburgh**
Title of Paper	**Quarter 2 Financial Monitoring Report**
Presented By	**Sarah Roughead, Chief Financial Officer**
Recommendation to Members	**For discussion**
Appendix Attached	**Yes:** **Appendix A – Quarter 2 Finance Report**

PURPOSE

The purpose of this report is to provide Members with an update on the financial position of the SPA and Police Scotland for quarter two (Q2) of the financial year 2025-26.

The paper is presented for discussion.

1. BACKGROUND – BUDGET CONTEXT

1.1 The Board approved the 2025-26 annual budget on 27 March 2025 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 £56.7m (4.1%), plus an additional £15.2m to fund 60% of increased national insurance costs and an additional £10.0m to support reform and modernisation. The remaining national insurance costs (£10.1m) will be funded in 2025-26 through reduced employer pension contributions.

1.3 The budget for 2025-26 includes a core budget for around 16,500 officers and an average 5,900 FTE police staff. National insurance changes resulted in a £25.3m cost pressure for policing. The annual pay award is also a significant year-on-year pressure, with every 1% pay increase costing an additional £12.5m. Pay negotiations for 2025-26 have now been agreed for both officers through PNBS and staff through Trade Unions. The outcome of these pay discussions are now reflected in the Q2 FC, however in addition a potential inflation guarantee payment may be triggered later in the financial year as part of the pay award agreement. Other pressures include new technology costs, general inflation and other specific price increases.

1.4 The budget includes vacancy management savings and an income challenge to be delivered as part of the overall budget, as well as over £9.0m of non-pay savings and efficiencies - a highly challenging requirement given that only 14% of the budget relates to non-pay costs.

1.5 The reform budget to support change and transformation for 2025-26 is £20.4m. The budget includes £16.2m of overprogramming to be managed in-year as the work progresses on the prioritisation of change.

1.6 The total capital allocation for 2025-26 is £71.0m including capital receipts. This investment marks the starting point of delivery of the estate's masterplan, supports the rolling replacement programme and progress change and transformation programmes. It is recognised that additional resources are required in key enabling functions to support and deliver an increased capital programme.

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 two (Q2) finance report.

Quarter 2 summary

Revenue

- The Q2 net expenditure forecast is in line with budget and funding.
- The Q2 forecast position presents a number of challenges, particularly when viewed in the context of the emerging cost pressures. Key risk areas include overtime, ill-health pension costs, liability claims, and a potential inflation guarantee payment that may be triggered as part of pay award agreements.
- It is critical that spend is tightly controlled over the remainder of the financial year to ensure a balanced position in line with funding.
- The forecast will be closely monitored alongside the financial threats and opportunities detailed on page 19 (Appendix A), with appropriate action to be taken if required.
- Funding discussions are ongoing with regards to Op Roll (POTUS visit) and Op Oclate (VPOTUS visit) totalling £24.1m. Confirmation of funding is not expected until the Spring Budget Review is completed in the early part of 2026, and as such costs are reported separately to the BAU financials in Appendix A.
- The year-to-date actual position at period 6 is £4.5m over Q1 forecast and £0.7m under budget.

Capital

- The capital forecast at Q2 is £73.1m, £2.1m above the budget position of £71.0m. The forecast overspend is fully funded by additional capital receipts and other grants.

- Capital delivery plans and forecasts have been updated by business areas to accurately reflect current timelines and spend profiles at Q2 forecast.

- The Q2 capital forecast requires £5.9m of slippage to be achieved throughout the remaining part of the financial year.

- Committed and uncommitted spend will continue to be monitored throughout the year and tracking of these is highlighted in Appendix A.

- Finance are engaging regularly with business areas to support delivery of their capital plans.

- The year-to-date capital spend at period 6 is over Q1 forecast by £4.8m and over budget by £0.9m.

Reform

- The reform forecast at Q2 of £20.8m, £0.4m (fully funded) above the budget position of £20.4m.

- The reform forecast has removed £15.9m of the £16.2m overprogramming included as part of the approved budget, leaving only £0.3m of slippage still to be achieved across the remainder of the year.

- 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 under Q1 FC by £0.4m and under budget by £0.2m.

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

Finance

Corporate Finance team

Appendix A Finance report

Quarter 2 2025/26

OFFICIAL

Revenue budget

Finance dashboard

Q2 2025/26

Year to Sep 2025

Revenue	G	G	G
	Jul	Aug	Q2

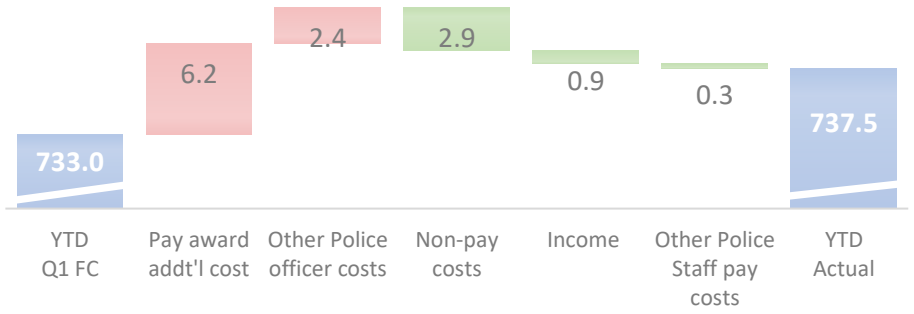
- FY Q2 forecast in line with budget and funding
- YTD £4.5m over Q1 forecast (additional year to date pay award cost £6.2m offset by other net underspends £1.7m)

Revenue variance (£m)

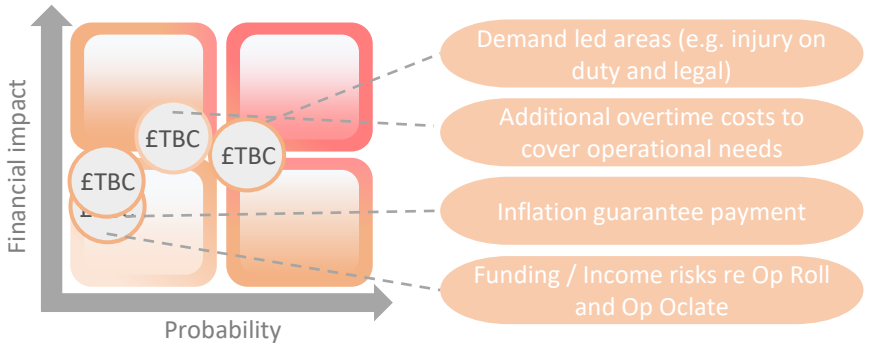
	YTD actual v Q1 FC	FY Q2 FC v Budget
Police Scotland	-4.7	-0.8
Forensic Services	0.2	0.4
SPA corporate	0.0	0.4
Total	**-4.5**	**0.0**

Key for variances: *green = underspend* *red = overspend*

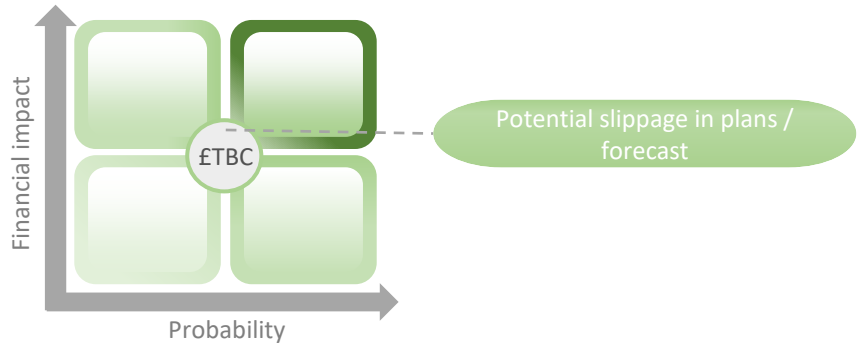
Revenue: YTD actual costs £4.5m higher than Q1 FC



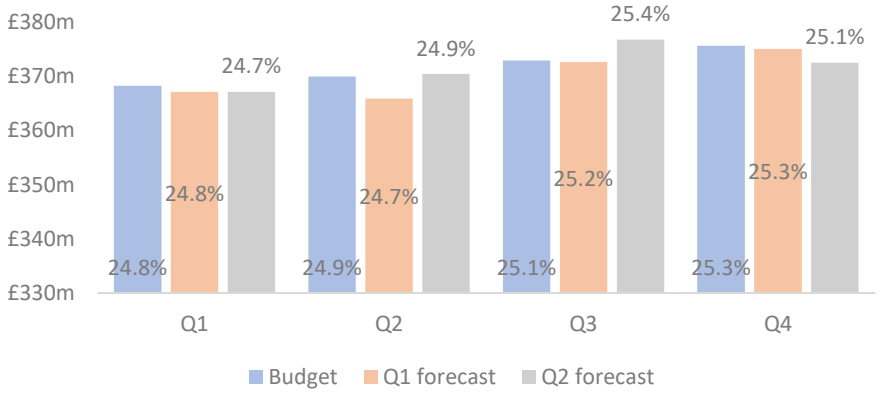
Threats



Opportunities

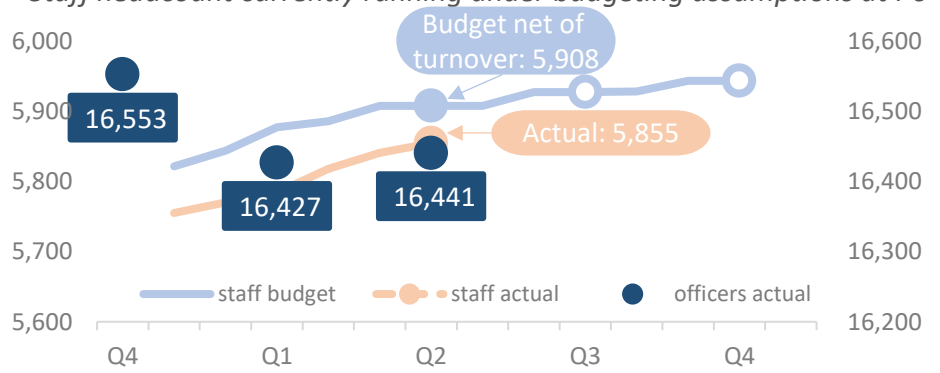


Revenue budget spend profile (£m)



People numbers (FTE) – Revenue Budget

Staff headcount currently running under budgeting assumptions at P6



OFFICIAL

Revenue
(service area)

Budget / Forecast deliverability status remains at green

Q2 net expenditure forecast in line with budget/funding

Operational costs associated with the visits of POTUS (£21.0m) and VPOTUS (£3.1m) reported separately

Year to date over Q1 forecast by £4.5m mainly due to timing of backdated pay award costs £6.2m offset by other underspends £1.7m

Year to date under budget by £0.7m

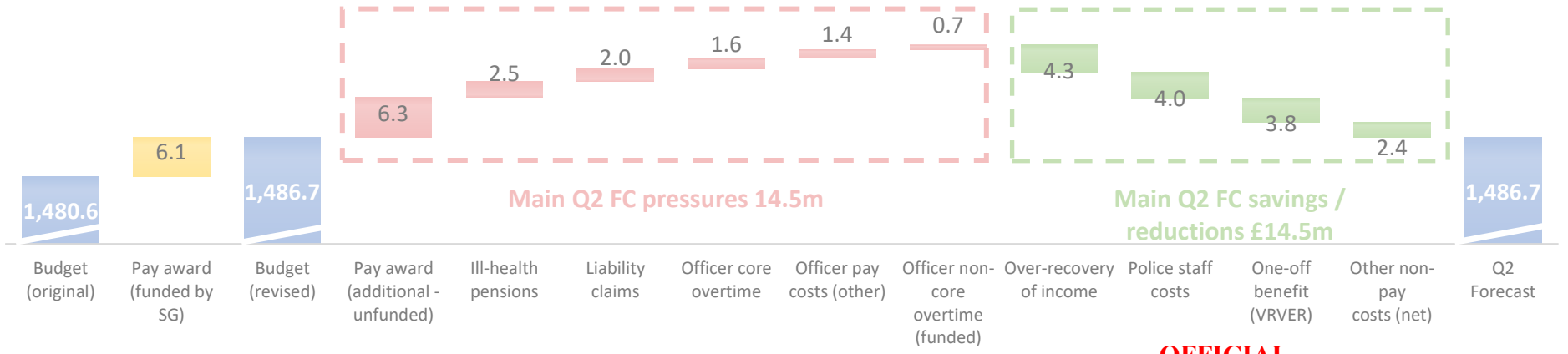
Total expenditure in line with funding

- Full year Q2 FC breakeven position in line with budget and funding.
- The Q2 forecast position presents a number of challenges, particularly when viewed in the context of the emerging cost pressures. Key risk areas include overtime, ill-health pension costs, liability claims, and a potential inflation guarantee payment that may be triggered as part of pay award agreements.
- It is critical that spend is tightly controlled over the remainder of the financial year to ensure a balanced position in line with funding.
- The forecast will be closely monitored alongside the financial threats and opportunities detailed on page 19, with appropriate action to be taken if required.
- Funding discussions are ongoing with regards to Op Roll and Op Oclate.

Revenue variance by area (£m)

	Year to date			Full year		
	Q1 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Police Scotland	707.4	712.1	(4.7)	1,433.4	1,434.2	(0.8)
Forensic Services	23.2	23.0	0.2	47.8	47.4	0.4
SPA Corporate	2.4	2.4	0.0	5.5	5.1	0.4
Total expenditure	**733.0**	**737.5**	**(4.5)**	**1,486.7**	**1,486.7**	**0.0**
Funding						
GiA - core				1,455.4	1,455.4	0.0
GiA - additional				25.2	25.2	0.0
GiA - pay award				6.1	6.1	0.0
				1,486.7	**1,486.7**	**0.0**
Additional cost of Major operation						
Op. Roll (POTUS visit)	0.0	21.0	(21.0)	0.0	21.0	(21.0)
Op. Oclate (VPOTUS visit)	0.0	3.1	(3.1)	0.0	3.1	(3.1)
	0.0	**24.1**	**(24.1)**	**0.0**	**24.1**	**(24.1)**

Detailed budget to FY Q2 forecast (£m)



OFFICIAL

Revenue

(service area)

Operational costs associated with the visits of POTUS (£21.0m) and VPOTUS (£3.1m) reported separately

Revenue variance by spend type (£m)

	Year to date				Full year			
	Q1 FC	Act	Var.		Bud	Q2 FC	Var.	
	£m	£m	£m	%	£m	£m	£m	%
Police officers	496.8	503.9	(7.1)	(1.4%)	993.5	1,003.4	(9.9)	(1.0%)
Police staff	160.2	161.4	(1.2)	(0.7%)	325.6	324.2	1.4	0.4%
Non-pay	101.3	98.4	2.9	2.9%	215.5	211.3	4.2	1.9%
Income	(25.3)	(26.2)	0.9	3.6%	(47.9)	(52.2)	4.3	9.0%
Total	**733.0**	**737.5**	**(4.5)**	**(0.6%)**	**1,486.7**	**1,486.7**	**0.0**	**0.0%**

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

Revenue variances

- Variances are explained in detail on pages 6 and 7.

Revenue variances profile

- Police officer adverse variance increases steadily throughout the year due to unbudgeted element of pay award and ill health pensions.
- Police staff costs projected to remain steady before moving to a favourable variance at year end due to additional SBR transfers expected.
- Non-pay costs profile projects a movement to a reduced favourable variance in the second half of the year due to timing and slippage in expenditure experienced in the year-to-date position before further recognising a one-off year end favourable variance for VRVER budget no longer required.
- Income steadily continues with a favourable position as the year progresses due to an expected over-recovery of additional income materialising.

OFFICIAL

Revenue
(spend type)

Police officers variance by spend type (£m)

	Year to date				Full year			
	Q1 FC	Act	Var.		Bud	Q2 FC	Var.	
	£m	£m	£m	%	£m	£m	£m	%
Police officer pay	467.7	472.7	(5.0)	(1.1%)	935.2	941.3	(6.1)	(0.7%)
Overtime - core	10.4	12.0	(1.6)	(15.4%)	23.2	24.8	(1.6)	(6.9%)
Overtime – non-core	2.4	2.4	0.0	0.0%	3.5	4.2	(0.7)	(20.0%)
Allowances	2.2	2.5	(0.3)	(13.6%)	5.7	5.2	0.5	8.8%
Pensions	14.1	14.3	(0.2)	(1.4%)	25.9	27.9	(2.0)	(7.7%)
Total	**496.8**	**503.9**	**(7.1)**	**(1.4%)**	**993.5**	**1,003.4**	**(9.9)**	**(1.0%)**

Police officer costs

- YTD overspend against Q1 FC mainly due to additional cost of pay award not forecast (£4.6m), core overtime (£1.6m) and related on-costs (£0.3m), allowances (£0.3m), pension costs (£0.2m, net) and other costs (£0.1m).
- Q2 FY forecast overspend mainly due to additional police officer pay award costs (£9.1m), increase in ill health pensions (£2.5m), core overtime (£1.6m), non-core overtime (£0.7m, funded) and other costs (£1.6m, net) offset by additional pay award funding (£5.6m).

Police staff variance by spend type (£m)

	Year to date				Full year			
	Q1 FC	Act	Var.		Bud	Q2 FC	Var.	
	£m	£m	£m	%	£m	£m	£m	%
Staff pay and allowances	158.2	159.6	(1.4)	(0.9%)	321.6	320.0	1.6	0.5%
Overtime	1.9	1.8	0.1	5.3%	3.7	3.9	(0.2)	(5.4%)
Special constables	0.1	0.0	0.1	100.0%	0.3	0.3	0.0	0.0%
Total	**160.2**	**161.4**	**(1.2)**	**(0.7%)**	**325.6**	**324.2**	**1.4**	**0.4%**

Police staff costs

- YTD overspend against Q1 FC due to additional cost of pay award not forecast (£1.6m) less other actual spend running below forecasting assumptions for staff costs and overtime (£0.4m).
- Q2 forecast for police staff under mainly due to FTE numbers running below budgeted assumptions (£4.5m) offset by additional cost of pay award (£3.1m).

OFFICIAL

Revenue
(spend type)

Non-pay variance by spend type (£m)

	Year to date				Full year			
	Q1 FC	Act	Var.		Bud	Q2 FC	Var.	
	£m	£m	£m	%	£m	£m	£m	%
Other employee	3.4	3.1	0.3	8.8%	12.4	8.1	4.3	34.7%
Premises	32.9	31.5	1.4	4.3%	68.7	68.6	0.1	0.1%
Transport	10.6	11.0	(0.4)	(3.8%)	20.1	21.0	(0.9)	(4.5%)
Supplies & Services	21.1	20.2	0.9	4.3%	42.1	42.7	(0.6)	(1.4%)
ICT	20.5	20.5	0.0	0.0%	42.1	41.9	0.2	0.5%
Administration	3.7	3.4	0.3	8.1%	10.7	10.3	0.4	3.7%
Third party payments	7.2	6.9	0.3	4.2%	16.1	17.4	(1.3)	(8.1%)
Other costs	1.9	1.8	0.1	5.3%	3.3	1.3	2.0	60.1%
Total	**101.3**	**98.4**	**2.9**	**2.9%**	**215.5**	**211.3**	**4.2**	**1.9%**

Income variance by type (£m)

	Year to date				Full year			
	Q1 FC	Act	Var.		Bud	Q2 FC	Var.	
	£m	£m	£m	%	£m	£m	£m	%
Specific grant funding	(5.3)	(6.0)	0.7	13.2%	(9.1)	(11.0)	1.9	20.9%
Funded officers and staff	(2.6)	(2.3)	(0.3)	(11.5%)	(4.6)	(5.0)	0.4	8.7%
Public fees	(3.2)	(3.1)	(0.1)	(3.1%)	(6.3)	(6.3)	0.0	0.0%
Rental and hire	(3.8)	(3.8)	0.0	0.0%	(7.4)	(7.3)	(0.1)	(1.4%)
Mutual aid	(0.6)	(0.8)	0.2	33.3%	(0.6)	(1.9)	1.3	216.7%
Services of police	(7.2)	(7.2)	0.0	0.0%	(13.8)	(15.0)	1.2	8.7%
Seconded officers	(0.5)	(0.5)	0.0	0.0%	(1.0)	(1.1)	0.1	10.0%
Other income	(2.1)	(2.5)	0.4	19.0%	(5.1)	(4.6)	(0.5)	(9.8%)
Total	**(25.3)**	**(26.2)**	**0.9**	**3.6%**	**(47.9)**	**(52.2)**	**4.3**	**9.0%**

Non-pay

- Main Q2 forecast underspends relate to VRVER budget no longer required (£3.8m), non-domestic rates (£1.0m), telecom expenditure (£1.0m), legal costs (£0.7m) and anticipated non-pay slippage to be achieved by divisions (£2.0m), offset by overspends in liability claims (£2.0m), accident damage repairs (£0.7m), property repairs (£0.6m), operational kits (£0.6m) and specialist consumables (£0.4m).

Income

- Q2 forecast over-recovery in income – mainly specific grant funding (£1.9m) mutual aid (£1.3m) and other additional income (£1.1m, net).

OFFICIAL

Revenue

(further business area detail)

DCC Operational Policing

- Over-recovery of income (£4.2m) offset by overspends in police officer overtime core (£1.4m) and non-core (£0.7m); non-pay costs (£1.5m) and police staff costs (£0.1m).

	£m	FTE
Budget	217.9	3,462.4
Q2 Forecast	217.4	3,410.0
FY variance	**0.5**	**52.4**
YTD var. v Q1 FC	*0.4*	*15.3*

DCC Transformation

- Underspends in police staff costs (£0.6m), IT maintenance (£0.5m) and telecoms expenditure (£0.4m).

	£m	FTE
Budget	82.0	483.3
Q2 Forecast	80.5	490.0
FY variance	**1.5**	**(6.7)**
YTD var. v Q1 FC	*0.7*	*8.0*

DCC Professionalism & Enabling Services

- Overspends in officer ill health pensions (£2.5m), liability claims (£2.0m), police staff costs (£1.2m), transport related costs (£0.7m), property repairs (£0.6m) and other items (£0.3m, net) offset by underspends in non-domestic rates (£1.0m) and legal costs (£0.7m).

	£m	FTE
Budget	164.5	1,342.8
Q2 Forecast	170.1	1,341.3
FY variance	**(5.6)**	**1.5**
YTD var. v Q1 FC	*1.6*	*14.0*

Corporate centre

- Underspends relates to VRVER budget no longer required (£3.8m), officer pensions (£0.5m) and anticipated slippage included in the Corporate Centre to be achieved by the divisions (£4.4m) offset by
- Increase in police officer pay costs: additional pay award costs (£9.1m) and other costs (£2.2m) offset by additional pay award budget allocated (£5.4m).

	£m	FTE
Budget	969.0	16,500.0
Q2 Forecast	966.2	16,500.0
FY variance	**2.8**	**0.0**
YTD var. v Q1 FC	*(7.4)*	*0.0*

SPA Corporate

- Underspends in staff costs (£0.3m) and non-pay costs (£0.1m).

	£m	FTE
Budget	5.5	51.2
Q2 Forecast	5.1	45.5
FY variance	**0.4**	**5.7**
YTD var. v Q1 FC	*0.0*	*(1.0)*

Forensics services

- Underspend in police staff costs (£1.2m) offset by overspends in operational kits (£0.3m), legal costs (£0.2m), outsourcing costs (£0.2m) and equipment maintenance (£0.1m).

	£m	FTE
Budget	47.8	601.2
Q2 Forecast	47.4	597.2
FY variance	**0.4**	**4.0**
YTD var. v Q1 FC	*0.2*	*0.2*

OFFICIAL

Capital and Reform budgets

Finance dashboard

Q2 2025/26

Year to Sep 2025

Capital

A	A	A/G
Jul	Aug	Q2

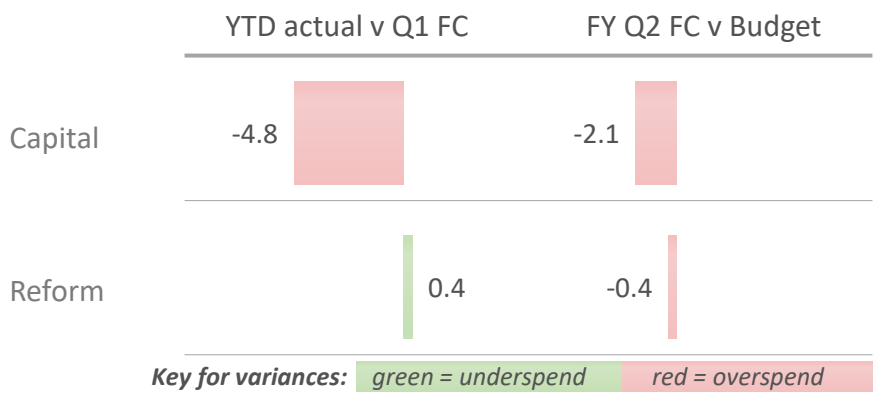
- FY Q2 forecast £2.1m over budget (fully funded)
- YTD £4.8m higher than Q1 FC

Reform

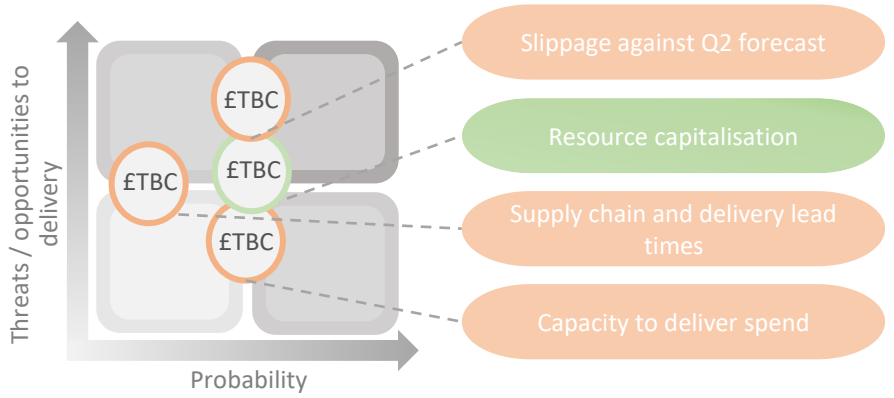
G	G	A
Jul	Aug	Q2

- FY Q2 forecast £0.4m over budget (fully funded)
- YTD £0.4m under Q1 FC

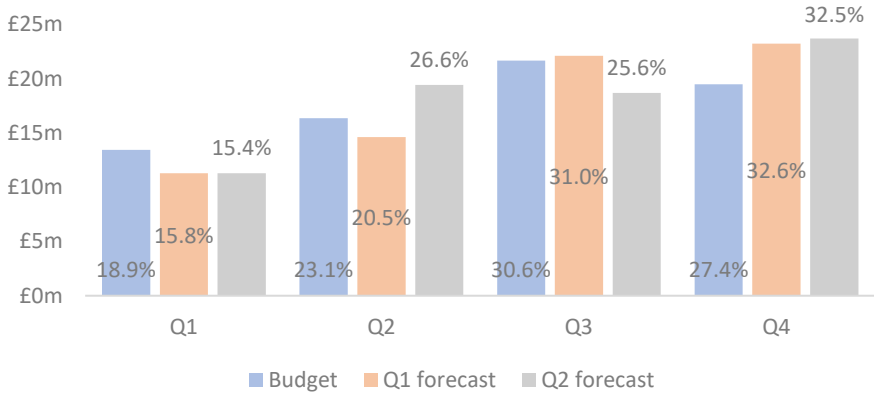
Capital and Reform variances (£m)



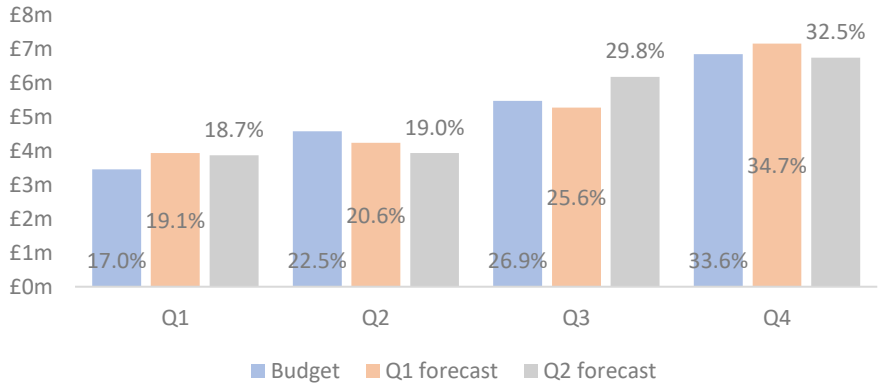
Threats and opportunities



Capital spend profile (£m)

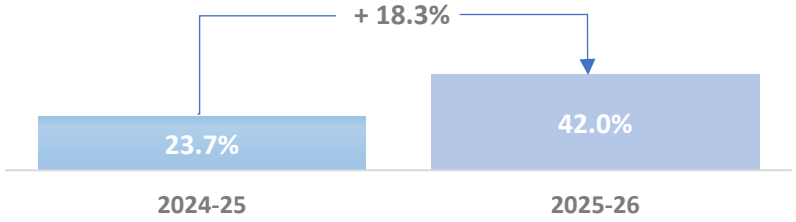


Reform spend profile (£m)



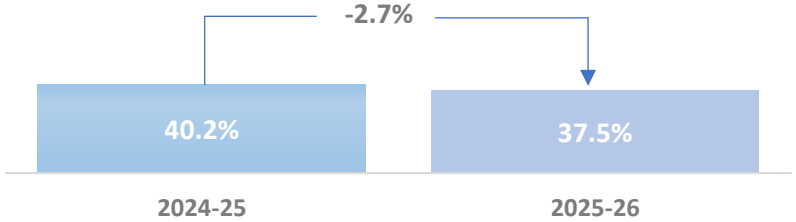
Capital: year to date : % of forecast spent

YTD spend significantly higher when compared with previous year



Reform: year to date : % of forecast spent

YTD spend lower than in the previous year



OFFICIAL

Capital

Budget / Forecast deliverability has changed to amber/green due to increased capital spend and commitments in month. However, there is a high value of commitments still to be made and high projected spend in final quarter of financial year

- FY Q2 forecast £2.1m over budget (fully funded)
- YTD £4.8m higher than Q1 forecast
- Year to date over budget by £0.9m

① DEPP = Digitally Enabled Policing Programme
② MC&E = Modern Contact & Engagement
③ PDW = Policing in a Digital World
④ Operational policing = combines Q2 FC for Crime & CJSD £4.9m, Local Policing & OSD £3.9m, and £0.2m for SPE training

Year to date: £4.8m higher than forecast

- Digital Division airwave (£2.9m over) – due to airwave device delivery arriving earlier than expected.
- DEPP (£0.5m over) – mainly arising from additional supplier spend on COS phase 3 in year.
- Other items (£1.4m over net) – mainly due to anticipated year to date slippage not being achieved.
- It is important to note that capital spend is 18.3% ahead of P6 results last year and commitments are continuing to increase month on month.
- Delivery plans are reported monthly and continue to be monitored through the Capital Planning Taskforce and Capital Investment Group. Deliverability status has been updated at Q2 forecast and will be reported from period 7.

Forecast: £2.1m over budget (funded)

- BAU capital has increased by £0.7m in Fleet due to recently approved purchase of Armed Response Vehicles.
- PDW programme £1.7m reduction mainly due to timelines for business case approval across Digital Forensics and Fraud operating model.
- Other projects £1.3m under, mainly arising from a reduction in Data Drives Digital for software as a service which is now reform funded (£0.6m), reduction to Forensic Services programme (£0.3m), PPLC reduction due to government timelines (£0.3m) and other items (£0.1m).
- DEPP £0.4m reduction on Body Worn Video due to confirmed digital infrastructure costs.
- MC&E £0.2m reduction due to reduced staff capitalisation.
- Increase in funding of £2.1m made up of: £1.3m increase in capital receipts and £0.8m increase in other grants for Digital and Specialist Crime projects.
- Slippage identified £5.0m.

Capital variance by programme (£m)

	Year to date			Full year		
	Q1 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Estates	13.3	13.2	0.1	29.4	29.4	0.0
Digital Div (rolling)	5.3	5.3	0.0	14.7	14.7	0.0
Digital Div (airwave)	2.1	5.0	(2.9)	5.0	5.0	0.0
Fleet	2.8	2.6	0.2	11.8	12.5	(0.7)
Operational Policing ④	1.7	1.7	0.0	9.0	9.0	0.0
Forensic services	0.4	0.3	0.1	2.7	2.7	0.0
Total BAU	**25.6**	**28.1**	**(2.5)**	**72.6**	**73.3**	**(0.7)**
Change: legislative & inflight						
DEPP ①	0.6	1.1	(0.5)	3.1	2.7	0.4
MC&E ②	1.0	0.8	0.2	2.0	1.8	0.2
PDW ③	0.0	0.0	0.0	1.7	0.0	1.7
Other projects	0.9	0.7	0.2	2.5	1.2	1.3
Total change	**2.5**	**2.6**	**(0.1)**	**9.3**	**5.7**	**3.6**
Total before slippage	**28.1**	**30.7**	**(2.6)**	**81.9**	**79.0**	**2.9**
Slippage	(2.2)	(0.0)	(2.2)	(10.9)	(5.9)	(5.0)
Total	**25.9**	**30.7**	**(4.8)**	**71.0**	**73.1**	**(2.1)**
Funding						
GIA - core				70.0	70.0	0.0
Capital receipts				1.0	2.3	(1.3)
Other				0.0	0.8	(0.8)
Total				**71.0**	**73.1**	**(2.1)**

OFFICIAL

Capital

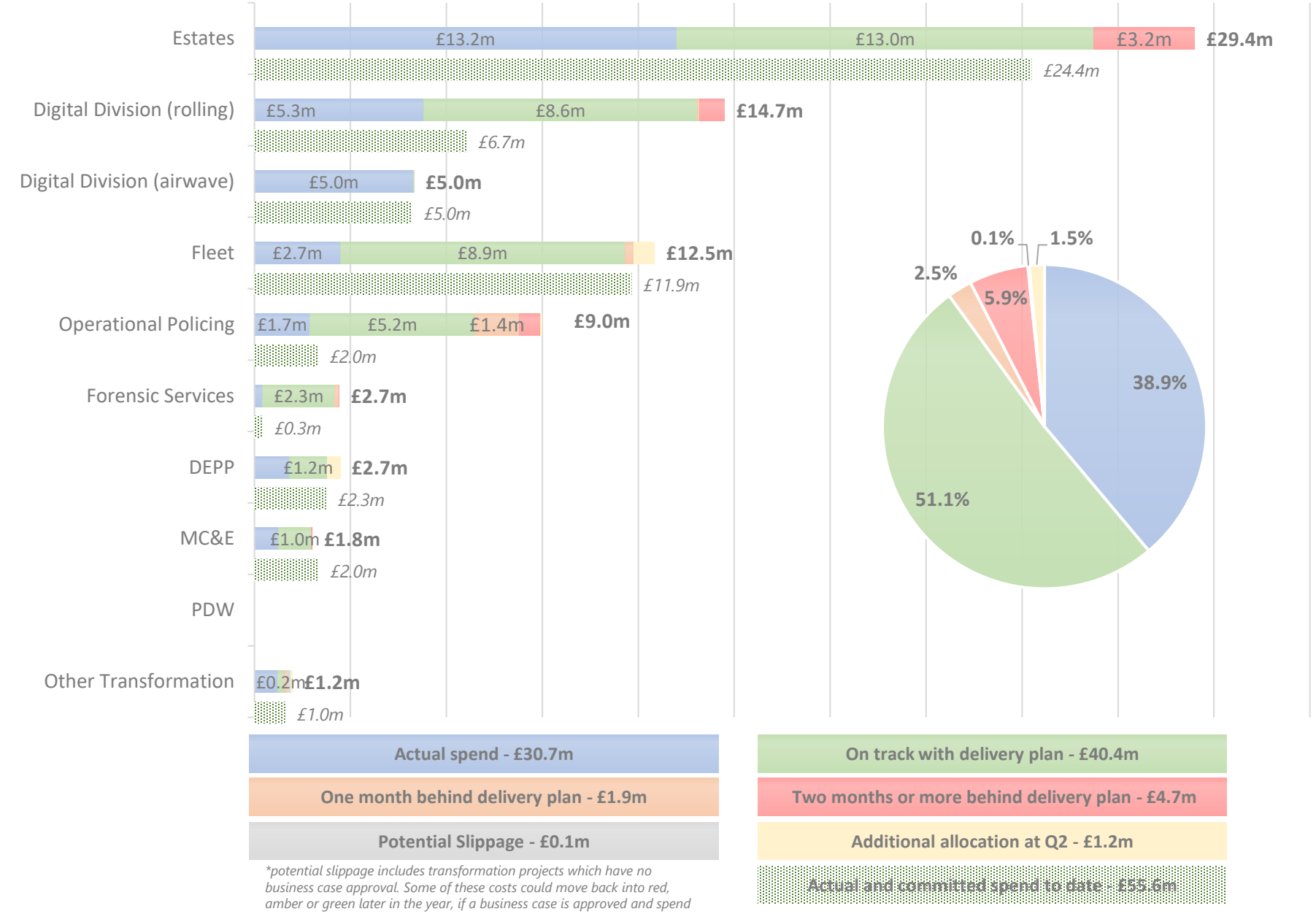
As at Period 6 £71.1m is on track with delivery plan

£5.9m slippage to be managed over the remainder of the year

£55.6m (76%) spent or committed to date

£17.5m (24%) still to be committed to meet funded position

Capital budget deliverability status (£m) – Q2 forecast total £79.0m (before slippage)



*potential slippage includes transformation projects which have no business case approval. Some of these costs could move back into red, amber or green later in the year, if a business case is approved and spend is likely to be achieved in year.

DEPP = Digitally Enabled Policing Programme
MC&E = Modern Contact & Engagement
PDW = Policing in a Digital World
Operational policing combines approved budget for Crime & CJSD, Local Policing & OSD, and SPE training.

OFFICIAL

Capital –

DCC Professionalism & Enabling Services

Budget / Forecast deliverability has changed to amber/green due to increased capital spend and commitments in month. However, there is high projected spend in final quarter of financial year

FY Q2 forecast £0.8m over budget (fully funded)

Year to date under Q1 forecast by £0.3m

Year to date: under forecast by £0.3m

- Fleet (£0.2m under) due to current supplier lead times. All vehicles are ordered and have expected delivery dates prior to 31st March and therefore no risk to full year forecast.
- Estates (£0.1m under) mainly arising from boiler replacement works starting on site slightly later than planned.

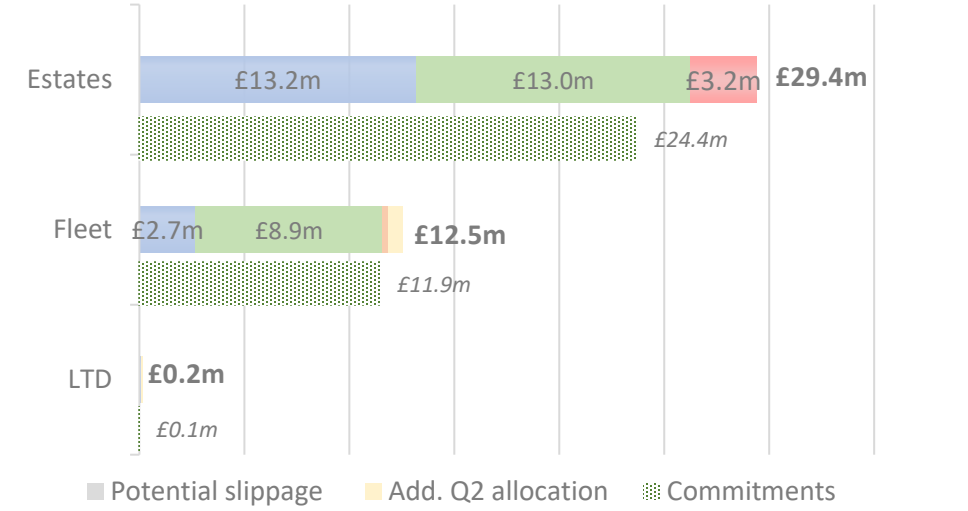
Forecast: £0.8m over budget (funded)

- The Q2 forecast has increased overall by £0.8m (fully funded) due to:
  - Fleet (£0.7m increase) for recently approved additional spend on armed response vehicles £0.6m and a reallocation from operational policing £0.1m.
  - LTD (£0.1m increase) relating to increased costs on training equipment that were part of the original capital plan.
- Capital delivery plans and forecasts have been updated by business areas to accurately reflect current timelines and spend profiles at Q2.

Capital variance by programme (£m)

	Year to date			Full year		
	Q1 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Estates	13.3	13.2	0.1	29.4	29.4	0.0
Fleet	2.8	2.6	0.2	11.8	12.5	(0.7)
LTD	0.1	0.1	0.0	0.1	0.2	(0.1)
Total	**16.2**	**15.9**	**0.3**	**41.3**	**42.1**	**(0.8)**

Capital deliverability– DCC Professionalism & Enabling Services (£m)



OFFICIAL

Capital –

DCC Operational Policing

Budget / Forecast deliverability has changed to amber/green due to increased capital spend and commitments in month. However, there is a high value of commitments still to be made and high projected spend in final quarter of financial year

FY Q2 forecast £0.1m under budget

Year to date in line with Q1 forecast

Whilst LTD £0.2m for SPE training is included under Operational Planning on page 11, it is excluded on this page to be included in DCC Professionalism & Enabling Services area on page 13.

Year to date: in line with Q1 forecast

- Operational Support (£0.1m over) due to delivery of thermal imaging binoculars in month.
- Offset by an underspend in Criminal Justice (£0.1m) relating to cash counting machines.

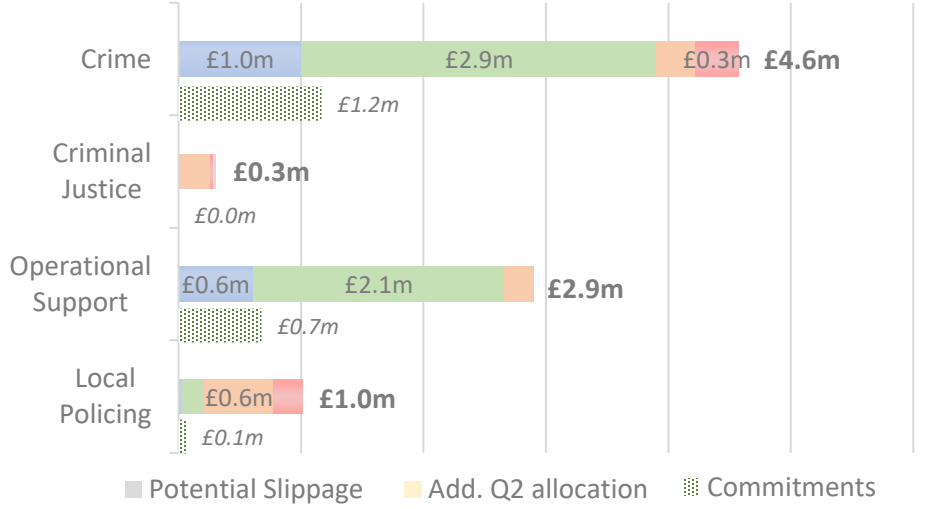
Forecast: £0.1m under budget

- The Q2 forecast has decreased overall by £0.1m due to the reallocation of crime specialist policing vehicles purchases to Fleet.
- There have been internal reallocations within the portfolio:
  - £1.1m increase in Crime for bids approved by the Operational Policing Capital Task Force offset by the £0.1m reallocated to fleet above.
  - £0.3m increase in Local Policing to bring forward pipeline spend - final plans yet to be confirmed.
  - £0.9m reduction to Criminal Justice due to the removal of body scanners.
  - £0.5m reduction in Operational Support in year mainly arising from Roads Policing.
- Capital delivery plans and forecasts have been updated by business areas to accurately reflect current timelines and spend profiles at Q2.

Capital variance by programme (£m)

	Year to date			Full year		
	Q1 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Crime	1.0	1.0	0.0	3.6	4.6	(1.0)
Criminal Justice	0.1	0.0	0.1	1.2	0.3	0.9
Operational Support	0.5	0.6	(0.1)	3.4	2.9	0.5
Local Policing	0.0	0.0	0.0	0.7	1.0	(0.3)
Total	**1.6**	**1.6**	**0.0**	**8.9**	**8.8**	**0.1**

Capital deliverability – DCC Operational Policing (£m)



OFFICIAL

Capital –

DCC Transformation

Budget / Forecast deliverability has changed to amber/green due to increased capital spend and commitments in month. However, there is a high value of commitments still to be made and high projected spend in final quarter of financial year

FY Q2 forecast £3.6m under budget

Year to date in £3.0m higher than Q1 forecast

① DEPP = Digitally Enabled Policing Programme
② MC&E = Modern Contact & Engagement
③ PDW = Policing in a Digital World

Year to date: £3.0m higher than Q1 forecast

- Digital Division airwave (£2.9m over) due to airwave terminals supplier lead times being shorter than anticipated.
- DEPP (£0.5m over) mainly arising from additional supplier spend on COS phase 3 in year.
- MC&E (£0.2m under) due to a reduction in expected staff capitalisation on the Smart Storm upgrade project.
- Other projects (£0.2m under) mainly arising from reduced spend on Public Protection Legislative Change programme due to Scottish Government timelines extending.

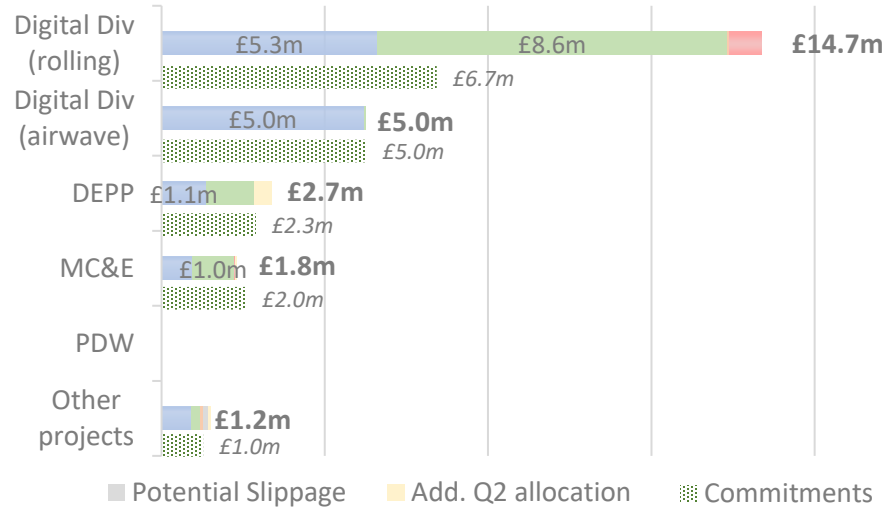
Forecast: £3.6m under budget

- The Q2 forecast has decreased overall by £3.6m due to a reduction in transformation capital detailed below:
  - £1.7m reduction in PDW mainly due to timelines for business case approval across Digital Forensics and Fraud operating model.
  - £1.1m reduction in other projects , mainly arising from a reduction in Data Drives Digital for software as a service which is now reform funded (£0.6m), reduction to Forensic Services programme (£0.3m), PPLC reduction due to government timelines (£0.3m) and other items (£0.1m).
  - £0.4m reduction in DEPP Body Worn Video due to confirmed digital infrastructure costs.
  - £0.2m reduction within MC&E due to reduced staff capitalisation.

Capital variance by programme (£m)

	Year to date			Full year		
	Q1 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Digital Div (rolling)	5.3	5.3	0.0	14.7	14.7	0.0
Digital Div (airwave)	2.1	5.0	(2.9)	5.0	5.0	0.0
Change: legislative & inflight						
DEPP ①	0.6	1.1	(0.5)	3.1	2.7	0.4
MC&E ②	1.0	0.8	0.2	2.0	1.8	0.2
PDW ③	0.0	0.0	0.0	1.7	0.0	1.7
Other projects	0.9	0.7	0.2	2.5	1.2	1.3
Total	**9.9**	**12.9**	**(3.0)**	**29.0**	**25.4**	**3.6**

Capital deliverability – DCC Transformation (£m)



OFFICIAL

Reform

Budget / Forecast deliverability has changed to amber due to low level of spend to date compared to FY forecast and a high level of commitments still to be made

- FY Q2 forecast £0.4m over budget (fully funded)
- YTD £0.4m under Q1 forecast
- Year to date under budget by £0.2m

① EPF = Enabling Policing for the Future
② ETP = Estates Transformation Programme
③ PDW = Policing in a Digital World
④ MC&E = Modern Contact & Engagement
⑤ DEPP = Digitally Enabled Policing Programme
⑥ DDD = Data Drives Digital
⑦ PfoC = Policing for our Communities
⑧ PPLC = Public Protection Legislative Change

Year to date: £0.4m under Q1 forecast

- EPF (£0.5m under) – arising from reduced contractor costs and a slow down in enabling service reviews and Estates asset management projects.
- DDD (£0.3m under) – arising from a reduction in professional service costs on Force Wide Analytics.
- MC&E (£0.2m under) – due to lower overtime costs for training due to project timelines extending.
- Other items (£0.6m over) mainly due to expected slippage achieved in month.

Forecast: £0.4m over budget (funded)

- £0.4m funded overspend offset with additional grant funding.
- £15.9m slippage identified.
- Q2 forecast variances:
  - Overall Transformational resource underspent by £4.0m due to recruitment timescales across all programmes.
  - EPF £3.6m reduction to expected professional services spend in year for Enabling Service Reviews and interim finance ledger projects.
  - PDW £3.1m reduction mainly due to FCCRAS project timelines extending.
  - Cyber Security £1.6m reduction due to market engagement challenges.
  - Other projects - NLEDS £1.3m reduction due to Home Office funding dual running costs.
  - Other items £1.9m reduction due to expected slippage.

Reform variance by work stream (£m)

	Year to date			Full year		
	Q1 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
EPF①	1.4	0.9	0.5	7.5	3.5	4.0
ETP②	1.5	1.4	0.1	4.8	4.6	0.2
PDW③	0.2	0.2	0.0	4.0	0.4	3.6
Cyber Security	0.2	0.2	0.0	2.8	0.5	2.3
MC&E④	0.7	0.5	0.2	2.5	1.5	1.0
DEPP⑤	0.9	0.8	0.1	2.1	1.9	0.2
DDD⑥	1.0	0.7	0.3	2.0	2.0	0.0
Forensic Services	0.6	0.5	0.1	1.6	1.2	0.4
Digital Division	0.7	0.7	0.0	1.5	1.0	0.5
PfoC⑦	0.2	0.2	0.0	0.9	0.6	0.3
PPLC⑧	0.1	0.1	0.0	0.1	0.2	(0.1)
P&D Programme	0.1	0.0	0.1	1.2	0.2	0.9
Other projects	1.7	1.6	0.1	5.6	3.5	2.2
Total before slippage	**9.3**	**7.8**	**1.5**	**36.6**	**21.1**	**15.5**
Slippage	(1.1)	(0.0)	(1.1)	(16.2)	(0.3)	(15.9)
Total	**8.2**	**7.8**	**0.4**	**20.4**	**20.8**	**(0.4)**
Funding						
GIA - core				20.4	20.4	0.0
Other grant funding				0.0	0.4	(0.4)
				20.4	**20.8**	**(0.4)**

Reform variance by pay and non-pay (£m)

	Year to date			Full year		
	Q1 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Pay	6.1	5.6	0.5	15.8	11.8	4.0
Non-pay	3.2	2.2	1.0	20.8	9.3	11.5
Total before slippage	**9.3**	**7.8**	**1.5**	**36.6**	**21.1**	**15.5**

OFFICIAL

Reform

As at Period 6 £16.8m is on track with delivery plan

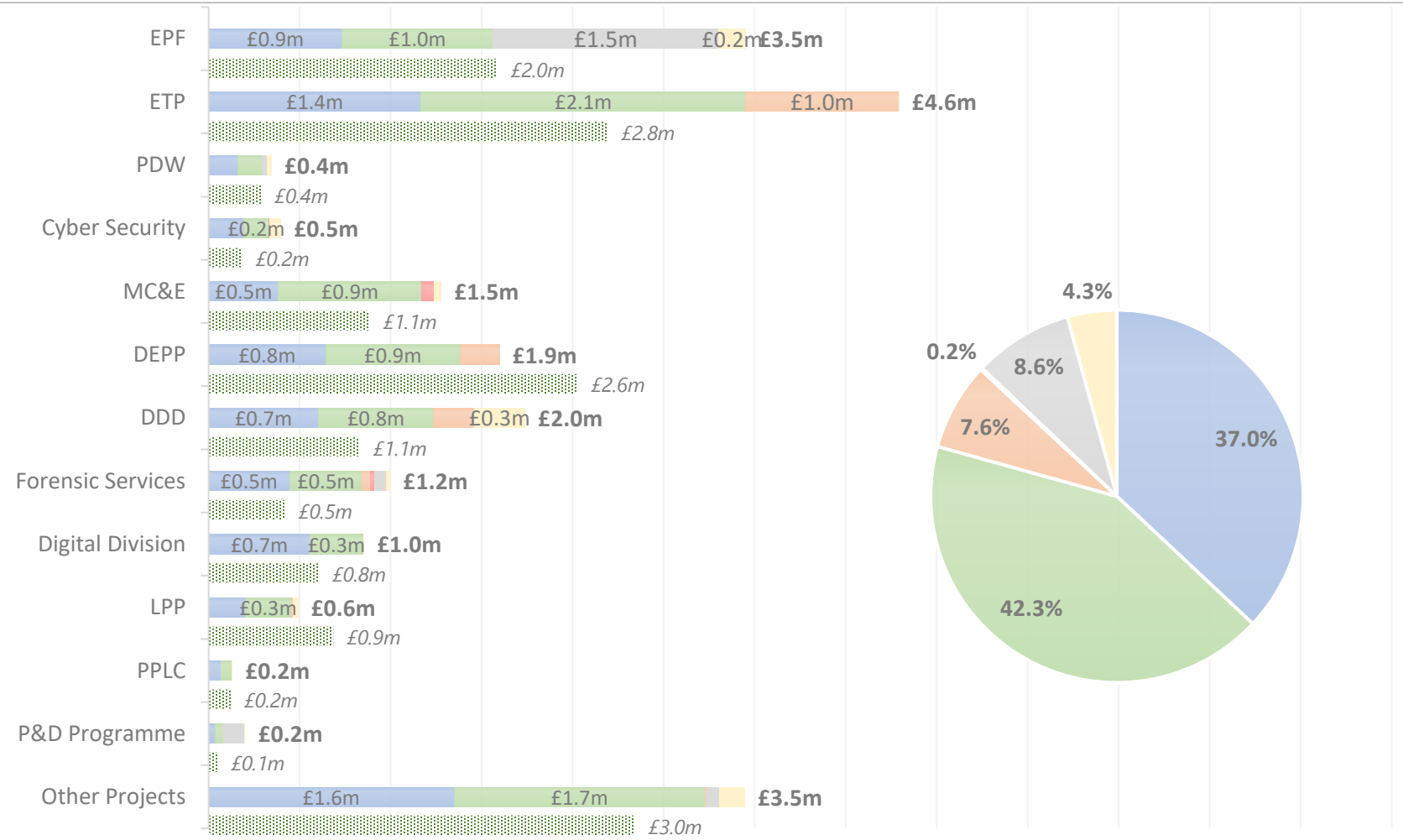
£0.3m slippage to be managed over the remainder of the year.

£15.6m (75%) spent or committed to date

£5.2m (25%) still to be committed to meet funded position

EPF = Enabling Policing for the Future
ETP = Estates Transformation Programme
PDW = Policing in a Digital World
MC&E = Modern Contact & Engagement
DEPP = Digitally Enabled Policing Programme
DDD = Data Drives Digital
LPP = Local Policing Programme
PPLC = Public Protection Legislative Change

Reform forecast deliverability status (£m) – Q2 forecast total £21.1m



Actual spend - £7.8m

On track with delivery plan - £9.0m

One month behind delivery plan - £1.6m

Two months or more behind delivery plan - £0.0m

Potential Slippage* - £1.8m

Additional allocation at Q2 - £0.9m

Actual and committed spend to date - £15.6m

*potential slippage includes transformation projects which have no business case approval. Some of these costs could move back into red, amber or green later in the year, if a business case is approved and spend is likely to be achieved in year.

OFFICIAL

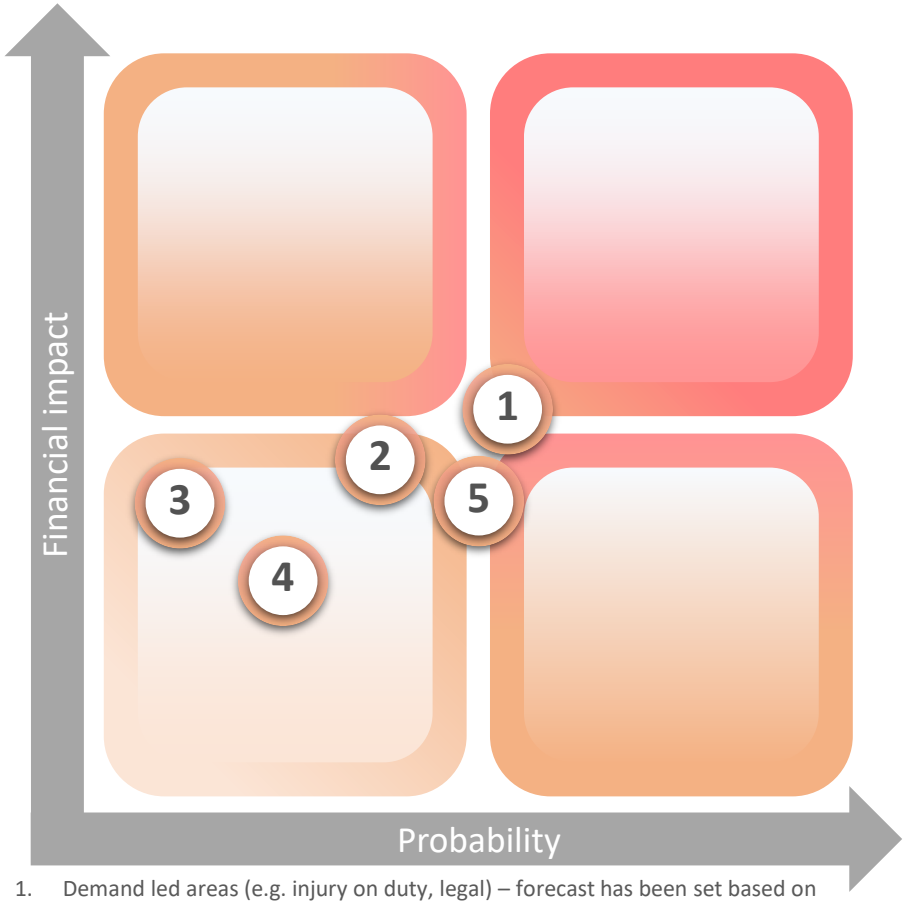
Risk Analysis

Risk analysis

The revenue and capital forecasts are carrying further risks that may materialise

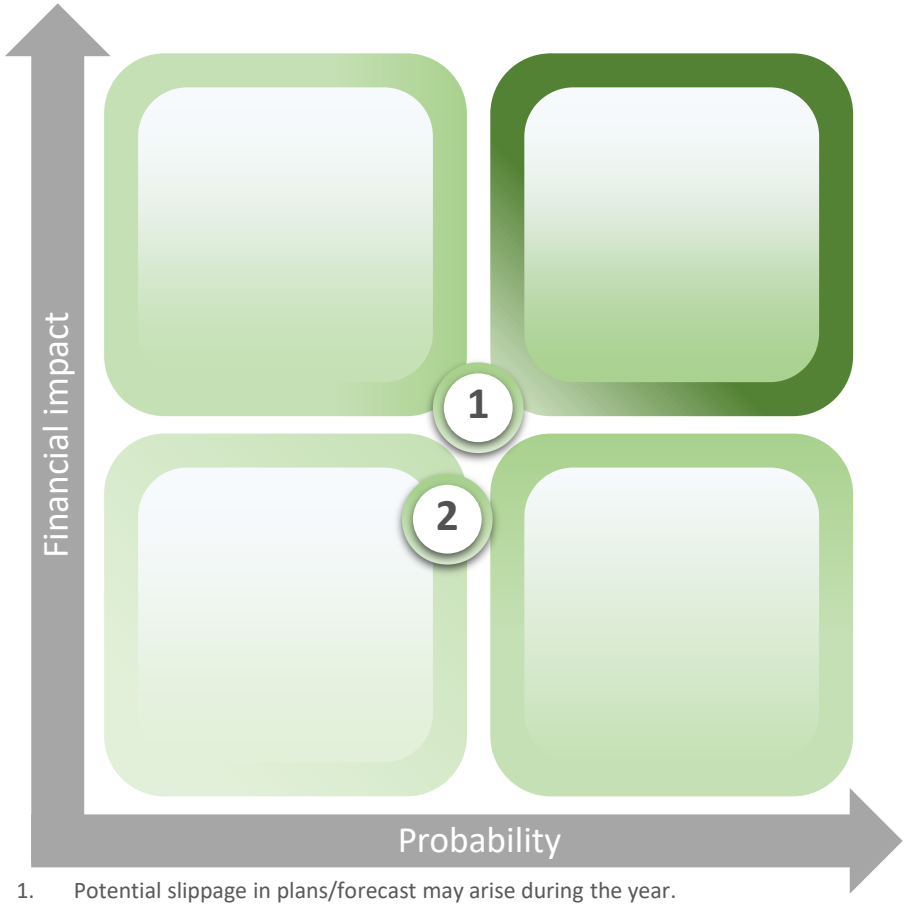
Threats and opportunities risks will continue to be monitored in Q3

Threats



1. Demand led areas (e.g. injury on duty, legal) – forecast has been set based on assumptions around demand and volume however costs may vary compared to budget available based on actual demand in year.
2. Overtime may be affected by operational requirements or potential unforeseen events. Overtime Management Group (OMG) is being stood up to help manage this risk.
3. Workforce - pay agreement includes an inflation guarantee which may be triggered. The assumption is that these costs will be funded with no financial detriment to the Police Authority.
4. Funding risk for new Legislation and other major events - assumption that these costs when incurred will be fully funded.
5. Capital - risk of potential slippage, supply chain and delivery lead times and organisational capacity.

Opportunities



1. Potential slippage in plans/forecast may arise during the year.
2. Capital resources are being reviewed in accordance with the updated capital policy, and costs will be reallocated between revenue and capital as appropriate.

OFFICIAL