



<b>Meeting</b>	<b>SPA Resources Committee</b>
<b>Date</b>	<b>19 December 2023</b>
<b>Location</b>	<b>Video Conference</b>
<b>Title of Paper</b>	<b>Period 7 Financial Monitoring Report</b>
<b>Presented By</b>	<b>Lynn Brown, Head of Corporate Finance</b>
<b>Recommendation to Members</b>	<b>For discussion</b>
<b>Appendix Attached</b>	<b>Yes - Appendix A – Period 7 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 period 7 of the financial year 2023/24.

This paper is presented for discussion.

## 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. A budget adjustment has been approved to reflect this change in the 2023/24 revenue budget.
- 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 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 period 7 (P7) finance report.

### **Revenue**

- The Q1 forecast originally presented to SPA Resources Committee on 08 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.
- Although progress has been made, we are still seeing a significant risk in terms of delivery of the overall budget. On that basis the Accountable Officer has written to SG for £5m contingency funding to support a balanced budget position.
- Even with contingency funding, it is critical that the mitigating plans are delivered the remainder of the financial year.
- The year-to-date actual position versus Q2 forecast is an underspend of £0.8m mainly due to underspends in officer and staff overtime.
- The year-to-date actual position versus budget is an overspend of £9.5m.

## **Capital**

- The Q2 forecast originally presented to SPA Resources Committee on 15 November 2023 highlighted required slippage of £17.3m to bring capital expenditure back in line with the funded position.
- It was agreed that: (i) **no further capital commitments** be made in the current financial year and (ii) any planned capital spend currently within governance, design or the procurement cycle should continue to be progressed, but only for delivery from 01 April 2024 onwards.
- As a result of the above, revised capital allocations were agreed based on known capital commitments resulting in the slippage target being reduced from £17.3m to £4.9m.
- Since the above agreed position, additional commitments of £1.8m have been made which has increased the slippage target to £6.7m to be managed across the remainder of the financial year.
- The year-to-date capital spend at P7 is in line with forecast and over budget by £1.5m.

## **Reform**

- As previously reported, 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 Police Authority against a funded position.
- The revised Q2 forecast highlights that the reform funding has reduced to £20.0m. This is due to the decisions and mitigating actions agreed to help balance the 2023/24 revenue position.
- The year-to-date actual position at P7 is under forecast by £0.2m and under budget by £0.9m.

### **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 asked to note and discuss the Period 7 financial position at Appendix A.



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

SCOTTISH POLICE  
**AUTHORITY**

**Finance**

Corporate Finance team

# Appendix A

# Finance report

## Period 7 2023/24



# Finance dashboard

P7 2023/24

Year to Oct 2023

**Revenue**

R	R	R
Aug	Sep	Oct

- YTD £0.8m under forecast
- FY Q2 forecast overall breakeven, however, requires continued effort to deliver required savings

**Capital**

A	R	R
Aug	Sep	Oct

- YTD spend in line with Q2 FC
- No further capital commitments to be made in 2023-24
- FY Q2 forecast still requires £6.7m of slippage to be achieved

**Reform**

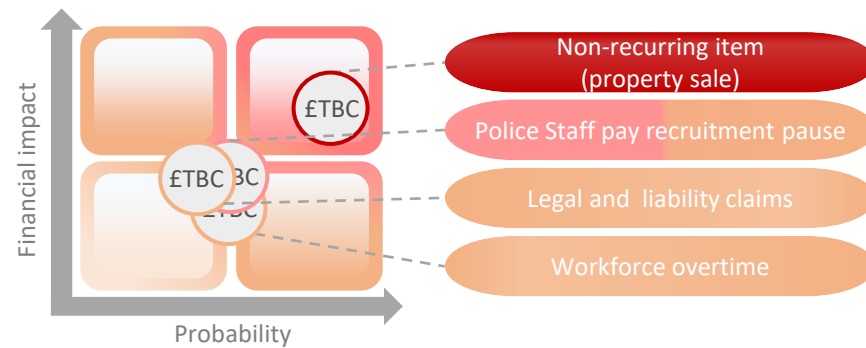
A	A	A
Aug	Sep	Oct

- YTD £0.2m under Q2 FC
- FY Q2 forecast £0.9m under funding (supports revenue breakeven 2 position)

## Revenue variance (£m)

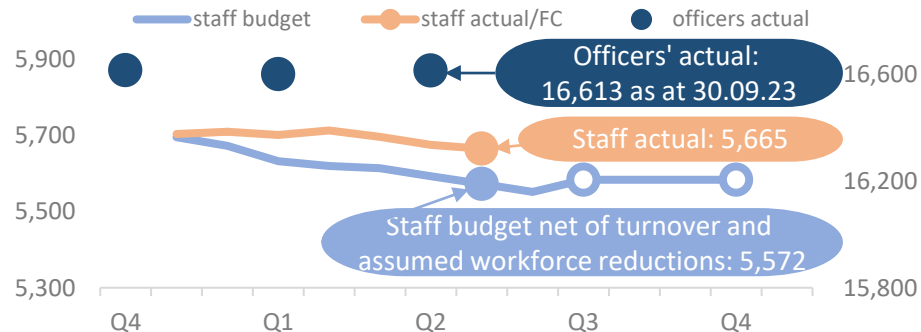
	YTD actual v Q2 FC	FY Q2 FC v Budget
Police Scotland	0.7	-6.5
Forensic Services	0.2	0.4
SPA corporate	-0.1	0.0
<b>Total</b>	<b>0.8</b>	<b>-6.1</b>
Funding		5.2
<b>Q2 FC over funding</b>		<b>-0.9</b>
Reform underspend		0.9
<b>Q2 FC break-even</b>		<b>0.0</b>

## Threats

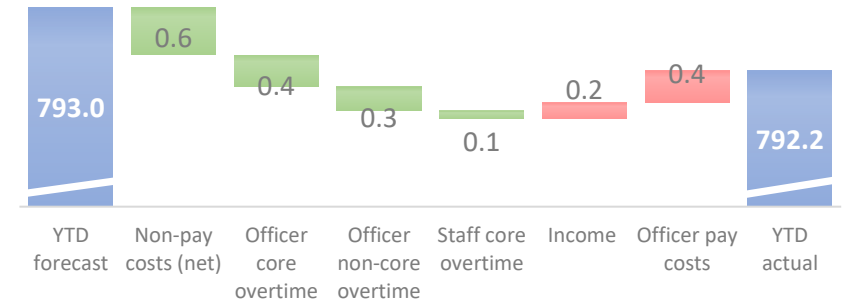


## People numbers (FTE) – Revenue Budget

Staff currently running 93 FTE over budgeting assumptions at P7



## Revenue: YTD actual v Q2 forecast (£m)



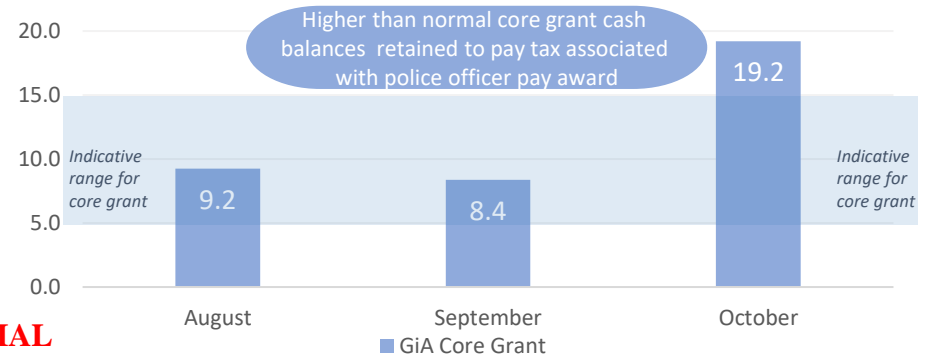
## Q2 FC Mitigating actions tracker

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-recurring item (one-off benefit)	Reverse Reform contribution
	Income	
Officer overtime - Core	Staff overtime	Police Officer pay costs
Police Staff pay	Non-pay	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

Year to date over budget by £9.5m however the key focus for this report is performance versus Q2 full year net expenditure forecast

Year to date under forecast by £0.8m

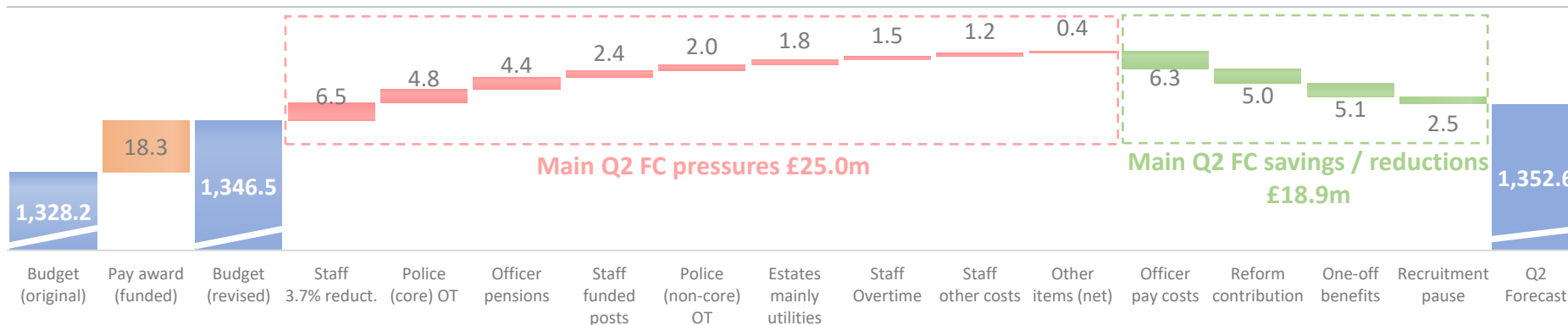
### Q2 forecast position

- Year to date costs £0.8m lower than Q2 FC due mainly to underspends in officer and staff overtime.
- 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 position is very challenging despite the period 7 underspend. 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.

### Revenue variance by area (£m)

	Year to date			Full year		
	Q2 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Police Scotland	764.6	763.9	0.7	1,296.5	1,303.0	(6.5)
Forensic Services	25.5	25.3	0.2	44.8	44.4	0.4
SPA Corporate	2.9	3.0	(0.1)	5.2	5.2	0.0
<b>Total expenditure</b>	<b>793.0</b>	<b>792.2</b>	<b>0.8</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 £9.5m

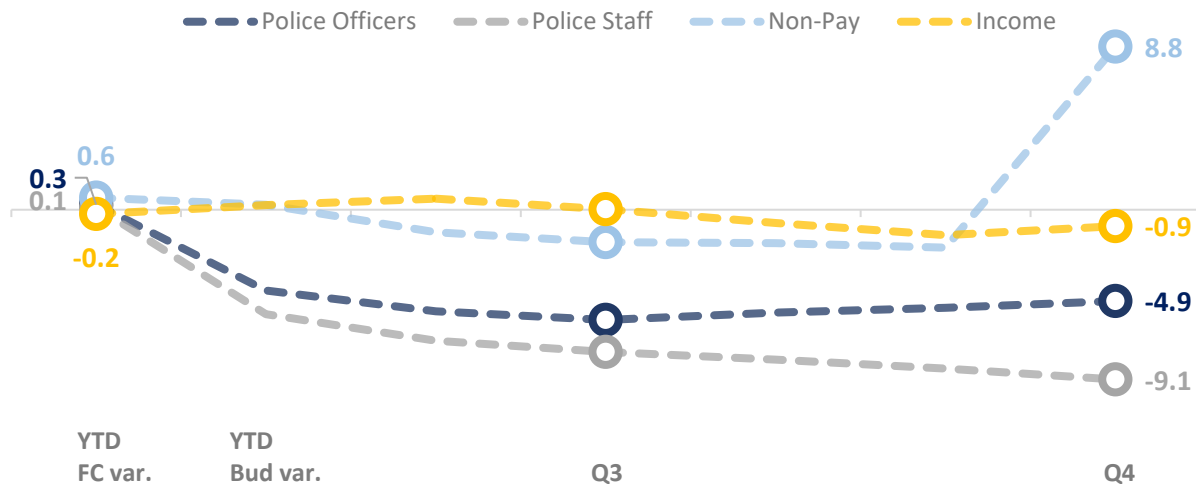
Policing Our Communities programme aim to deliver effective policing within the revenue budget

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

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Police officers	531.2	530.9	0.3	0.1%	899.6	904.5	(4.9)	(0.5%)
Police staff	175.0	174.9	0.1	0.1%	292.1	301.2	(9.1)	(3.1%)
Non-pay	114.1	113.5	0.6	0.5%	201.5	192.7	8.8	4.4%
Income	(27.3)	(27.1)	(0.2)	(0.7%)	(46.7)	(45.8)	(0.9)	(1.9%)
<b>Total</b>	<b>793.0</b>	<b>792.2</b>	<b>0.8</b>	<b>0.1%</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)



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### Revenue variances

- Mitigating savings actions are being managed and delivered through our Policing Our Communities programme.
- The key risk areas in terms of financial deliverability are potential benefits arising from one-off items and police staff costs.

### Revenue variances profile

- Mitigating savings actions have had the impact of steadying forecast overspends in police officer and police staff costs for the rest of the year.
- The forecast overspends in these areas will be mainly compensated by several one-off items that are profiled to occur at the end of the year through non-pay costs.
- These one-off non-pay items consist of reduction in Reform contribution (£5.0m) and one-off items – property sale and one-off benefit (£4.9m).

# Revenue

(spend type)

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

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	Var. %	Bud £m	Q2 FC £m	Var. £m	Var. %
Police officer pay	496.5	497.0	(0.5)	(0.1%)	852.3	845.8	6.5	0.8%
Overtime - core	12.6	12.2	0.4	3.2%	16.7	21.5	(4.8)	(28.7%)
Overtime – non-core	3.8	3.5	0.3	7.9%	3.8	5.8	(2.0)	(52.6%)
Allowances	3.3	3.2	0.1	3.0%	5.6	5.8	(0.2)	(3.6%)
Pensions	15.0	15.0	0.0	0.0%	21.2	25.6	(4.4)	(20.8%)
<b>Total</b>	<b>531.2</b>	<b>530.9</b>	<b>0.3</b>	<b>0.1%</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			
	Q2 FC £m	Act £m	Var. £m	Var. %	Bud £m	Q2 FC £m	Var. £m	Var. %
Staff pay and allowances	172.8	172.8	0.0	0.0%	289.5	297.0	(7.5)	(2.6%)
Overtime	2.2	2.1	0.1	4.5%	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>175.0</b>	<b>174.9</b>	<b>0.1</b>	<b>0.1%</b>	<b>292.1</b>	<b>301.2</b>	<b>(9.1)</b>	<b>(3.1%)</b>

## Police officer costs

- Police officers – year to date actual underspend against Q2 FC relates to core overtime (£0.4m) mainly due to the ongoing work led by DCC Speirs under the Policing Our Communities programme, and non-core overtime (£0.3m), offset by overspend in officer pay & allowances (£0.4m).

## Police staff costs

- Police staff - relates to underspend on overtime mainly due to the ongoing work led by DCC Speirs under the Policing Our Communities programme.

# Revenue

(spend type)

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

	Year to date				Full year			
	Q2 FC £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Other employee	2.4	2.4	0.0	0.0%	5.2	4.3	0.9	17.3%
Premises	40.0	39.7	0.3	0.8%	68.6	70.4	(1.8)	(2.6%)
Transport	12.8	12.8	0.0	0.0%	21.4	21.5	(0.1)	(0.5%)
Supplies & Services	22.4	22.2	0.2	0.9%	39.6	39.0	0.6	1.5%
ICT	20.2	20.1	0.1	0.5%	33.8	35.0	(1.2)	(3.6%)
Administration	5.8	5.9	(0.1)	(1.7%)	11.3	10.8	0.5	4.4%
Third party payments	8.8	8.8	0.0	0.0%	14.5	15.3	(0.8)	(5.5%)
Other	1.7	1.6	0.1	5.9%	7.1	(3.6)	10.7	150.1%
<b>Total</b>	<b>114.1</b>	<b>113.5</b>	<b>0.6</b>	<b>0.5%</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			
	Q2 FC £m	Act £m	Var. £m	%	Bud £m	Q2 FC £m	Var. £m	%
Specific grant funding	(4.1)	(4.1)	0.0	0.0%	(11.0)	(7.3)	(3.7)	(33.6%)
LA funded officers and staff	(3.6)	(3.6)	0.0	0.0%	(4.6)	(6.5)	1.9	41.3%
Public fees	(2.6)	(2.5)	(0.1)	(3.8%)	(4.1)	(4.6)	0.5	12.2%
Rental and hire	(4.1)	(4.1)	0.0	0.0%	(7.2)	(7.3)	0.1	1.4%
Mutual aid	(0.7)	(0.7)	0.0	0.0%	(1.6)	(0.9)	(0.7)	(43.8%)
Services of police	(8.6)	(8.5)	(0.1)	(1.2%)	(12.4)	(12.4)	0.0	0.0%
Seconded officers	(1.0)	(1.0)	0.0	0.0%	(1.3)	(1.5)	0.2	15.4%
Other income	(2.6)	(2.6)	0.0	0.0%	(4.5)	(5.3)	0.8	17.8%
<b>Total</b>	<b>(27.3)</b>	<b>(27.1)</b>	<b>(0.2)</b>	<b>(0.7%)</b>	<b>(46.7)</b>	<b>(45.8)</b>	<b>(0.9)</b>	<b>(1.9%)</b>

## Non-pay

- Year to date actual underspend against Q2 FC relates to premises costs (£0.3m), supplies & services (£0.2m) and other costs (£0.1m, net).

## Income

- Year to date actual overspend against Q2 FC relates to the under-recovery of public fees (£0.1m) and services of police income (£0.1m).

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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

- Underspends in police officer core overtime (£0.3m), police officer non-core overtime (£0.3m), police staff costs (£0.1m) and non-pay costs (£0.2m) offset by an under-recovery of income (£0.3m).

	£m	FTE
Q2 Forecast	88.2	2,591.6
Actual	87.6	2,595.5
<b>YTD variance</b>	<b>0.6</b>	<b>(3.9)</b>
<i>FY FC v budget</i>	<i>(6.6)</i>	<i>(2.4)</i>

## Deputy Chief Officer

- Underspends in ill health pension costs (£0.5m) due to timing and premises costs (£0.3m).

	£m	FTE
Q2 Forecast	106.4	1,126.6
Actual	105.6	1,127.5
<b>YTD variance</b>	<b>0.8</b>	<b>(0.9)</b>
<i>FY FC v budget</i>	<i>(1.5)</i>	<i>35.7</i>

## DCC Crime & Op Support

- Over-recovery of income (£0.1m), underspends in police officer core overtime (£0.1m) and non-pay costs (£0.2m).

	£m	FTE
Q2 Forecast	32.5	736.8
Actual	32.1	736.4
<b>YTD variance</b>	<b>0.4</b>	<b>0.4</b>
<i>FY FC v budget</i>	<i>(3.1)</i>	<i>37.3</i>

## Corporate centre

- Overspend in police officer pay and allowances (£0.4m) and other items (£0.4m, net).

	£m	FTE
Q2 Forecast	513.7	16,641.3
Actual	514.5	16,641.5
<b>YTD variance</b>	<b>(0.8)</b>	<b>(0.2)</b>
<i>FY FC v budget</i>	<i>4.1</i>	<i>(46.9)</i>

## DCC Professionalism, Strategy and Engagement

- Under-recovery of income (£0.2m) and overspend in liability claims (£0.1m).

	£m	FTE
Q2 Forecast	23.8	569.7
Actual	24.1	573.5
<b>YTD variance</b>	<b>(0.3)</b>	<b>(3.8)</b>
<i>FY FC v budget</i>	<i>0.6</i>	<i>9.9</i>

## Forensics services & SPA corporate

- Forensic Services (£0.2m under) - relates to underspend in third party outsourcing costs (£0.1m) and other items (£0.1m, net).
- SPA Corporate (£0.1m over) - relates to legal costs.

	£m	FTE
Q2 Forecast	28.4	600.6
Actual	28.3	603.5
<b>YTD variance</b>	<b>0.1</b>	<b>(2.9)</b>
<i>FY FC v budget</i>	<i>0.4</i>	<i>42.0</i>

# Capital

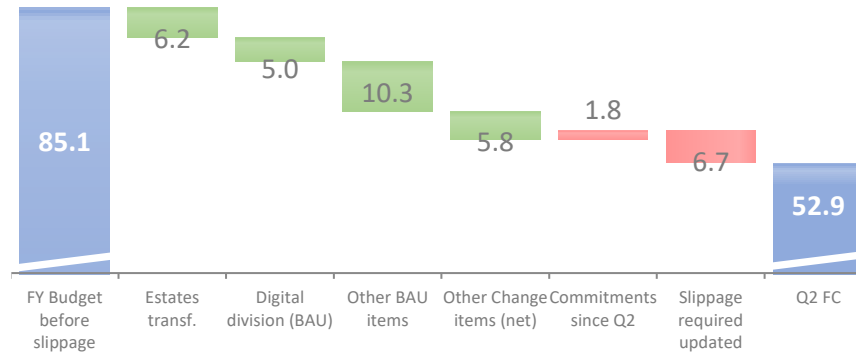
Forecast deliverability remains at red

Over 72% of funding has been spent to date

FY Q2 forecast spend updated since period 6 and now requires £6.7m slippage (previously agreed at £4.9m) to be managed across the remainder of the financial year

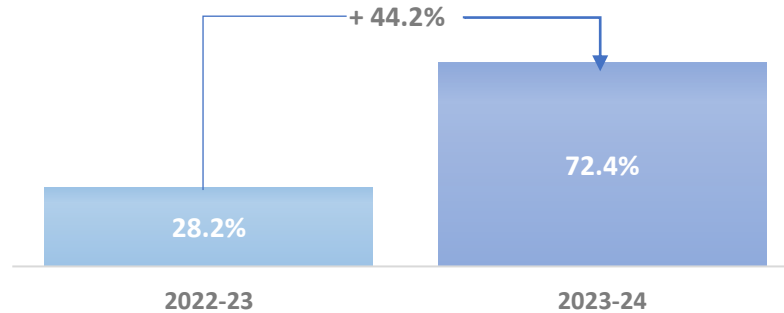
**No further commitments will be made in the remainder of the financial year** unless there is explicit approval from the Deputy Chief Officer / Capital Investment Group

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

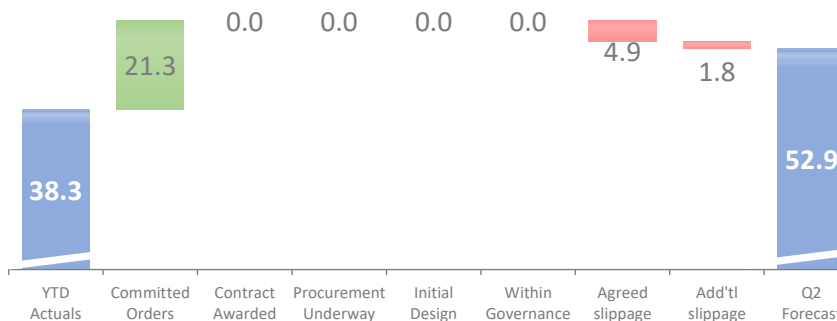


## Year to date : % of forecast spent

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		
	Q2 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Fleet	12.5	12.8	(0.3)	14.5	14.1	0.4
Digital Division (ICT)	5.5	5.1	0.4	13.9	8.9	5.0
Estates	7.7	7.7	0.0	12.9	9.6	3.3
EV Infrastructure	1.8	2.1	(0.3)	5.3	3.8	1.5
SPE	1.8	1.4	0.4	5.0	2.2	2.8
Weaponry	0.4	0.4	0.0	2.2	1.1	1.1
Forensic services	0.3	0.3	0.0	1.8	0.6	1.2
<i>Change: legislative &amp; inflight</i>						
Estates transformation	4.9	4.3	0.6	15.0	8.8	6.2
DEPP ①	1.4	1.3	0.1	4.7	2.5	2.2
DDD ②	1.1	1.2	(0.1)	3.0	2.3	0.7
RJLP ③	0.3	0.3	0.0	2.3	0.6	1.7
Policing in a digital world	0.1	0.0	0.1	1.4	0.4	1.0
Digital Division	0.1	0.1	0.0	0.9	0.5	0.4
MC&E ④	0.8	0.8	0.0	0.5	1.5	(1.0)
Other projects	0.6	0.5	0.1	1.7	0.9	0.8
Further commitments since Q2 FC	0.0	0.0	0.0	0.0	1.8	(1.8)
<b>Total before slippage</b>	<b>39.3</b>	<b>38.3</b>	<b>1.0</b>	<b>85.1</b>	<b>59.6</b>	<b>25.5</b>
Slippage	(1.0)	(0.0)	(1.0)	(32.1)	(6.7)	(25.4)
<b>Total</b>	<b>38.3</b>	<b>38.3</b>	<b>0.0</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>

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 7, £59.6m is spent or committed to date - ~£6.7m more than the funding available

As a result, **no further commitments** to be made in the current financial year, with £6.7m slippage still required within the committed spend category

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

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

	Year to Date			Q2 FY Forecast £m	Category					
	Q2 FC	Actuals	Variance		Actual	Committed	Contract Awarded	Procurement Underway	Initial Design	Within Governance
	£m	£m	£m		£m	£m	£m	£m	£m	£m
Fleet	12.5	12.8	(0.3)	14.1	12.8	1.3	0.0	0.0	0.0	0.0
Digital Division (ICT)	5.5	5.1	0.4	8.9	5.1	3.8	0.0	0.0	0.0	0.0
Estates	7.7	7.7	0.0	9.6	7.7	1.9	0.0	0.0	0.0	0.0
EV Infrastructure	1.8	2.1	(0.3)	3.8	2.1	1.7	0.0	0.0	0.0	0.0
SPE	1.8	1.4	0.4	2.2	1.4	0.8	0.0	0.0	0.0	0.0
Weaponry	0.4	0.4	0.0	1.1	0.4	0.7	0.0	0.0	0.0	0.0
Forensic services	0.3	0.3	0.0	0.6	0.3	0.3	0.0	0.0	0.0	0.0
<i>Change: legislative &amp; inflight</i>										
Estates transformation	4.9	4.3	0.6	8.8	4.3	4.5	0.0	0.0	0.0	0.0
DEPP ①	1.4	1.3	0.1	2.5	1.3	1.2	0.0	0.0	0.0	0.0
DDD ②	1.1	1.2	(0.1)	2.3	1.2	1.1	0.0	0.0	0.0	0.0
RJLP ③	0.3	0.3	0.0	0.6	0.3	0.3	0.0	0.0	0.0	0.0
Policing in a digital world	0.1	0.0	0.1	0.4	0.0	0.4	0.0	0.0	0.0	0.0
Digital Division	0.1	0.1	0.0	0.5	0.1	0.4	0.0	0.0	0.0	0.0
MC&E ④	0.8	0.8	0.0	1.5	0.8	0.7	0.0	0.0	0.0	0.0
Other Projects	0.6	0.5	0.1	0.9	0.5	0.4	0.0	0.0	0.0	0.0
Further commitments since Q2 FC	0.0	0.0	0.0	1.8	0.0	1.8	0.0	0.0	0.0	0.0
<b>Total before slippage</b>	<b>39.3</b>	<b>38.3</b>	<b>1.0</b>	<b>59.6</b>	<b>38.3</b>	<b>21.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Slippage Management	(1.0)	(0.0)	(1.0)	(6.7)	(0.0)	(6.7)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total</b>	<b>38.3</b>	<b>38.3</b>	<b>0.0</b>	<b>52.9</b>	<b>38.3</b>	<b>14.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

① DEPP = Digitally Enabled Policing Programme

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# Reform

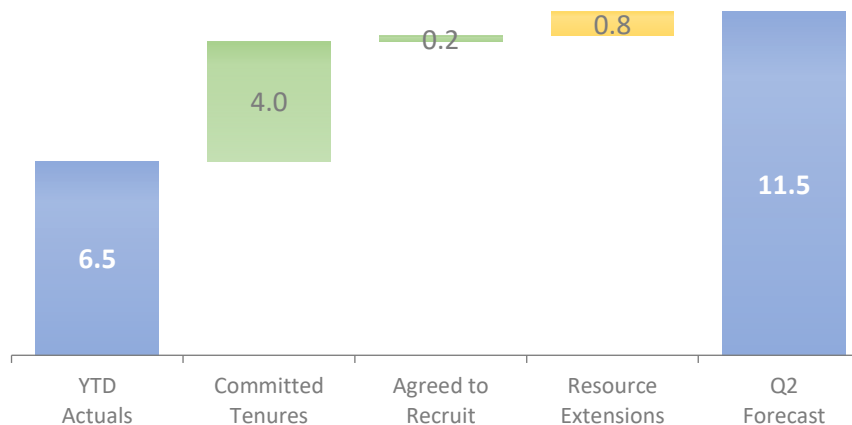
Forecast deliverability status remains at amber

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

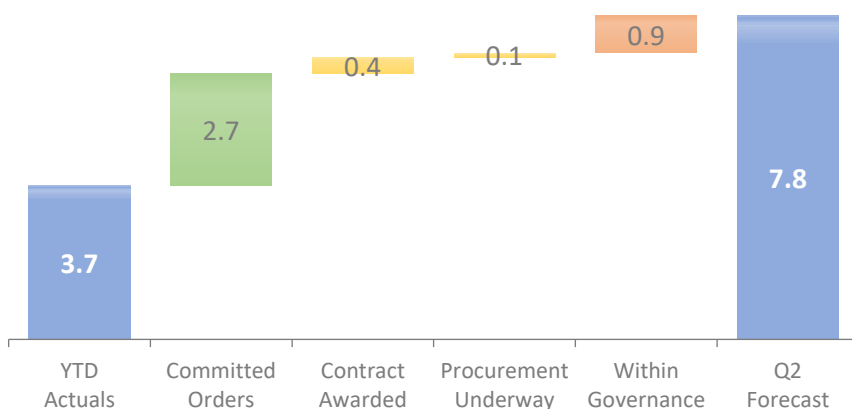
As a result of mitigating actions, the revenue contribution to Reform has reduced by £5.0m

Year to date under forecast by £0.2m

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



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



## Reform variance by work stream (£m)

	Year to date			Full year		
	Q2 FC £m	Actual £m	Var. £m	Budget £m	Q2 FC £m	Var. £m
Transformation resource	6.5	6.5	0.0	17.2	11.5	5.7
Estates transformation	0.4	0.4	0.0	5.0	0.8	4.2
P&D Programme	0.5	0.4	0.1	2.7	0.7	2.0
MC&E ①	1.1	1.1	0.0	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	0.1	0.1	0.0	0.4	0.3	0.1
Other projects	0.8	0.8	0.0	4.6	1.6	3.0
<b>Total before slippage</b>	<b>10.4</b>	<b>10.2</b>	<b>0.2</b>	<b>36.4</b>	<b>19.3</b>	<b>17.1</b>
Slippage	(0.0)	(0.0)	(0.0)	(11.4)	(0.0)	(11.4)
	<b>10.4</b>	<b>10.2</b>	<b>0.2</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 7 and Q2 FC, £17.1m out of £19.3m is spent or committed to date

This leaves £2.2m still to be committed

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

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

	Year to Date				Category (Pay and Non-pay)					
	Q2 FC	Actuals	Variance	Q2 FY Forecast	Actual	Committed	Contract Awarded	Pay Extensions	Procurement underway	Within Governance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Transformation Resource	6.5	6.5	0.0	11.5	6.5	4.2	0.0	0.8	0.0	0.0
Estates Transformation	0.4	0.4	0.0	0.8	0.4	0.3	0.0	0.0	0.1	0.0
P&D Programme	0.5	0.4	0.1	0.7	0.4	0.2	0.0	0.0	0.0	0.1
MC&E ①	1.1	1.1	0.0	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	0.0	0.2
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	0.6	0.0	0.0	0.0	0.0
DDD ③	0.1	0.1	0.0	0.3	0.1	0.2	0.0	0.0	0.0	0.0
Other Projects	0.8	0.8	0.0	1.6	0.8	0.1	0.1	0.0	0.0	0.6
<b>Total before slippage</b>	<b>10.4</b>	<b>10.2</b>	<b>0.2</b>	<b>19.3</b>	<b>10.2</b>	<b>6.9</b>	<b>0.4</b>	<b>0.8</b>	<b>0.1</b>	<b>0.9</b>
Slippage Management	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total</b>	<b>10.4</b>	<b>10.2</b>	<b>0.2</b>	<b>19.3</b>	<b>10.2</b>	<b>6.9</b>	<b>0.4</b>	<b>0.8</b>	<b>0.1</b>	<b>0.9</b>

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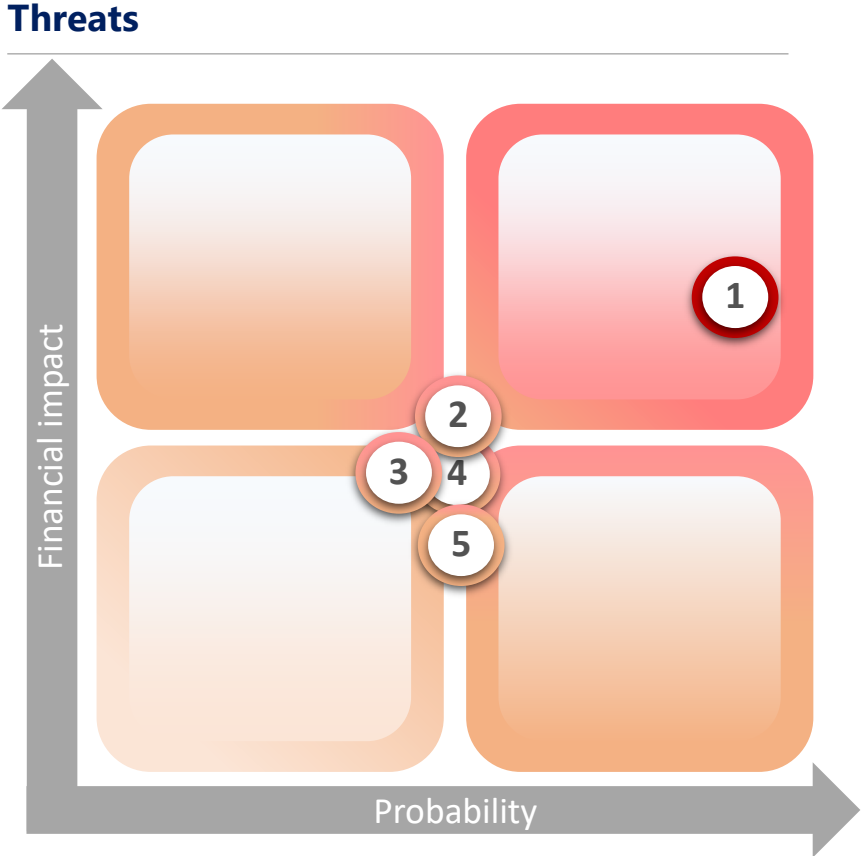
③ DDD = Data Drives Digital



# 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 forecast.
3. Legal and liability claims - demand led area.
4. Assumed Police Scotland staff savings arising from a pause in recruitment. Forecast includes attrition assumptions but comes with a risk attached.
5. Other savings included in the forecast will need to be delivered throughout the remaining part of the year.

