

Committee(s): Resources, Risks and Estates Committee (RREC)	Dates: 19/05/2025
Subject: 2024/25 Provisional Revenue and Capital Budget Outturn	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Commissioner of the City of London Police	Information
Report author: Chief Finance Officer & Deputy CFOs	

Summary

This covering report accompanies a slide pack detailing the City of London Police's (CoLP) provisional revenue and capital outturn for 2024/25, a final outturn will be presented to the Police Authority Board for information in July 2025.

Revenue:

The provisional revenue outturn for the Police budget is £116.3m against the latest approved budget of £116.3m, resulting in a balanced outturn position. This outturn is after transfers to reserve of £1.549m to manage timing differences in programme and project spend (see Table 7, slide 20). A breakeven position was also forecast at Q3 24/25 despite ongoing challenges and complexity of operating in a dynamic policing environment with significant lead force responsibilities. Key financial pressures identified and successfully mitigated in the year included the financial impact of the revised implementation plan for the Fraud & Cyber Crime Reporting & Analysis Service (FCCRAS) which has required an extension of the existing Action Fraud/Know Fraud services. Considering a 50:50 "risk share" arrangement with the Home Office for service extension costs, a step increase in overhead cost recovery from funded work and unplanned pay savings the residual FCCRAS cost pressure cost pressure has reduced to £0.3m (Q3 £1.2m) and will be mitigated by a draw down from an earmarked Action Fraud Reserve.

Several other cost pressures were identified at Q3, including the requirement to make a core budget correction of £0.7m in relation to CoLP's contribution to funded work and other operational cost pressures totalling £1.9m, including: the cost of the Metropolitan Police Service call handling services, additional forensics/data storage costs, vehicles running costs and Administration of Justice. These forecast pressures have been sustained at outturn along with an extending of the overtime pay pressure by £0.2m. Outside of the Q3 forecast an additional £1m cost has emerged in relation to employer ill health retirement pension contribution costs. To ensure these costs are

not omitted in future forecast, all these decisions will be reported through Force's Pension Services Delivery Board so that the financial consequences are captured. The impact of these additional cost pressures has been offset by continued unplanned pay savings, additional direct cost recovery for secondments, mutual aid and services provided to other police forces (£0.5m), plus savings from Firearms training and equipment budgets (£0.9m) due to officer vacancies impacting course delivery.

Whilst it is expected that the FCCRAS pressure should not be sustained into future financial years, with an anticipated tightening of police finances in 25/26 and the risk of new cost pressures emerging, work will continue to drive forward cultural change to improve accountability and control for delivering financial targets.

In support of the provisional outturn position:

- **Slides 3-12** provides variance analysis to the final 2024/25 budget, including workforce and overtime analysis.
- **Slides 13-16** provides an outturn summary for each of the business areas. The narrative highlights that whilst the Force is operating at headcount target levels the development of student officers means the allocation is heavily towards Local Policing, with vacancies in other areas. The significant underspend reported in the Central Expenditure and Income business area is mainly due to additional overhead recovery from funded, a Home Office pay award grant £1.2m and use of the Action Fraud Reserve £0.3m. As well as the release of provisions to manage officer and staff pay cost pressures.
- **Slide 17** provides a breakdown of the Force's £7m mitigations targets for 2024/25, noting that whilst this target has been achieved, mainly through enhanced overhead cost recovery from funded work, in year cost pressures have eliminated planned non-pay savings.
- **Slides 18-19** provides a breakdown of Proceeds of Crime Act (POCA) funded activities totalling £2.33m.
- **Slide 20** provides an update on the Force's reserves position as at the end of 2024/25, showing a decrease in specific reserves of £0.74m mainly due to the POCA drawdown. In 24/25 three new specific reserves have been established to manage timing differences in programme and project spend across estates repairs and maintenance (£0.7m), the Secure City Programme (£0.2m) and capital programme rephasing (£0.6m).
- **Slides 21-23** details the forecast outturn against the £1m Police Authority Board Team budget for 24/25 and delivery against the £1m Hotspot Response grant. The provisional revenue outturn is an underspend of £0.22m. This is mainly due to an ongoing vacancy, receipt of unbudgeted government grant income for administering the Serious Violence Duty and general supplies and services underspends.

Capital:

The CoLP Capital Programme comprises projects developed and managed by the Force. The provisional outturn on the CoLP capital programme in 2024/25 is £9.469m, which, compared to the budget for 2024/25 of £10.345m resulted in an underspend of £0.876m (summarised in **Slide 24**).

While this outturn report focuses on capital spend in 2024/25, reporting against whole life capital spend by project will continue in future quarters.

The overall underspend of £0.876m comprises a net underspend across non-FCCRAS projects and cyclical replacement amounting to £2.273m partly offset by a net overspend on FCCRAS of £1.397m.

The FCCRAS net overspend in 2024/25 of £1.397m is due to rephasing of FCCRAS milestones payments of £4.517m from 2023/24 to 2024/25, because of the delayed go live, coupled with additional rephasing of £3.120m of payments into 2025/26. There is no risk to existing Home Office capital funding which has been fully drawn down in 2024/25.

The net underspend on other projects and cyclical replacements of £2.273m comprises underspends on Command and Control (£0.604m) due to the MPS reset, the Data Analytics Platform (£0.339m) which had been temporarily paused to agree next steps, delayed replacement of firearms (£0.274m) which have now been delivered in April 2025, and both E-discovery (£0.257m) and the Forensic Case and Quality Management System (£0.194m) underspending due to capacity limitations delaying their start. Several smaller underspends have occurred across other projects, and these are shown on slides 25 and 26.

- **Slides 25 and 26** provide a more detailed breakdown of outturn capital spend against each project in 2024/25;
- **Slides 27 to 29** provide notes on outturn variations to budget; and
- **Slides 30 and 31** provide a breakdown of how the capital outturn spend is funded.

Whilst the 2024/25 Capital Programme was set with a move towards a more comprehensive approach to scheduling and management of projects into the future and reaffirming funding requirements, there has been a significant underspend in 2024/25. Although this is partly due to reprogramming of regional and national projects, it is noted that the 2024/25 Capital Programme was set as a first step with recognition that maturity and continuous improvement would be required, and the approach to budget setting and monitoring has therefore continued to be refined for 2025/26.

In addition to the CoLP funded projects, CoLP benefits from several 'infrastructure' projects led and funded by the Corporation, which are set out on **slide 32**.

Recommendations

Members of the Resources, Risks & Estates Committee and the Police Authority Board are asked to note the provisional revenue and capital outturn for 2024-25 as set out in this covering report and accompanying slide pack.

Appendices

2024/25 Provisional Revenue and Capital Outturn slide pack, comprising 32 slides including the covering page.

Contact

Alistair Cook
Chief Financial Officer
alistair.cook@cityoflondon.police.uk