

Financial Report – December 2025

Executive Summary

This report sets out the ICO’s financial position at the end of December 2025. We are currently forecasting a £3.1m year-end surplus as we expect our full-year growth in income to exceed the growth in cost.

The changes between full-year budget set at the start of the year and current forecast are:

- An increase of £2.6m in retainable fine recoveries following enforcement action.
- An increase of £1.8m of additional DP fees following successful campaigns to identify organisations that should register and pay registration fees.
- £1.7m extra funding from the Regulatory Innovation Office (RIO) and additional Grant in Aid (GIA).
- Expected costs to rise by £3.1m to cover the delivery costs associated with new RIO and GIA funding, Manchester office preparation, and the pay remit.

The changes since budget are detailed in the following table:

May not sum due to rounding	Income £m	Expenditure £m	Surplus/(Deficit) £m
Budget	104.9	(104.9)	-
Increase in expected retained fines	2.6	-	2.6
Increase in DP registration fees	1.8	-	1.8
Additional DRCF income	0.1	-	0.1
Additional RIO Funding	0.3	(0.3)	-
Additional GIA funding	1.3	(1.3)	-
Pay remit exceeding budget	-	(0.4)	(0.4)
Manchester office in-year spend following commitment of lease	-	(1.0)	(1.0)
Other changes	0.1	-	0.1
Current forecast	111.1	(108.0)	3.1

Summary Financial Performance - December 2025

Expenditure

The ICO has spent £73.1m year to date, 97% of the budget for this period. The variance of £2.3m is spread over several business areas.

Staff costs are £1.5m below budget. The variance is lower than last month following the agreement of the pay-remit with a December payment backdated to July. The staff vacancy rate was relatively high at the start of the year. Staffing levels and agency staff are expected to remain high in the final quarter.

Income

The ICO has received £82.3m of income to date and is now ahead of budget by £6.5m. DP Fee income is £2.9m ahead, due to continuing strong results from acquisitions and other campaigns. Fine retention income is £3.1m ahead following successful enforcement and recovery actions.

Risks and opportunities

Expenditure

Several risks could impact on our reported position.

- Most of the Transformation portfolio is invested in Programmes but the majority of the budget remains unspent, with significant expenditure expected in the final quarter of the year.
- The preparations for the fit-out of the Manchester office are underway. Around £2m of related costs are to be incurred in the current financial year, which is likely to fluctuate as planning estimates and timelines are firmed up.

We continue to identify other opportunities to accelerate activity against priorities over the final quarter of the year including DDaT expenditure.

In relation to delivering our £9.9m capital investment programme, £6.9m relates to estate leases which are now finalised. In relation to the other £3m of our capital programme, £2.3m remains unspent at this stage. The majority relates to the Manchester office move with medium confidence to spend.

Table 1: Consolidated Management Accounts	Year to date			Full year			
	Budget	Actual	Variance	Budget	Forecast	Variance	2024/25
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
DP FEE INCOME	68.8	71.7	2.9	95.3	97.1	1.8	73.8
GRANT IN AID AND GOVERNMENT FUNDING	5.6	6.0	0.4	7.5	9.1	1.6	17.1
FINE RETENTION INCOME	1.3	4.4	3.1	1.8	4.4	2.6	1.5
DRAWDOWN FROM RESERVES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER INCOME	0.1	0.2	0.1	0.3	0.5	0.2	0.7
TOTAL INCOME	75.8	82.3	6.5	104.9	111.1	6.2	93.1
STAFF COSTS	59.5	58.0	1.5	80.3	81.6	-1.3	72.5
TRAINING AND RECRUITMENT	1.0	0.8	0.2	1.4	1.4	0.0	1.0
OFFICE COSTS (NON-CAPITAL)	3.0	2.8	0.2	3.9	3.8	0.1	3.6
IT COSTS (NON-CAPITAL)	4.1	4.5	-0.4	6.3	6.4	-0.1	5.7
PROJECT SPEND (NON-CAPITAL)	1.9	1.3	0.6	4.8	3.0	1.8	1.3
COMMUNICATIONS	0.4	0.3	0.1	0.5	0.6	-0.1	0.2
FINANCIAL COSTS	0.3	0.3	0.0	0.4	0.3	0.1	0.4
TRAVEL	0.5	0.5	0.0	0.6	0.7	-0.1	0.6
LEGAL, PROFESSIONAL & OTHER	2.8	2.5	0.3	4.2	5.2	-1.0	3.1
Sub-total	73.5	71.0	2.5	102.4	103.0	-0.6	88.4
Capital Cash Spend - Lease rentals							
Office costs	1.2	1.2	0.0	1.6	1.7	-0.1	1.3
IT costs	0.2	0.2	0.0	0.2	0.3	-0.1	0.3
Total	1.4	1.4	0.0	1.8	2.0	-0.2	1.6
Capital Cash Spend - Other							
Estates and IT	0.0	0.1	-0.1	0.1	1.0	-0.9	0.8
Delivery	0.5	0.6	-0.1	0.6	2.0	-1.4	0.9
Total	0.5	0.7	-0.2	0.7	3.0	-2.3	1.7
TOTAL COSTS	75.4	73.1	2.3	104.9	108.0	-3.1	91.8
SURPLUS/(DEFICIT)	0.4	9.2	8.8	0.0	3.1	3.1	1.3