Financial Report – January 2026

Executive Summary

This report sets out our financial position at the end of January 2026. We are currently forecasting a £5.3m year-end surplus as we have generated £6.7m more income than budget whilst costs have only increased by £1.4m. 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	0.6	(0.6)	-
Additional RIO Funding	0.3	(0.3)	-
Additional GIA funding	1.3	(1.3)	-
Manchester office in-year spend following commitment of lease	-	(1.0)	(1.0)
Adjusted staff cost forecast		2.3	2.3
Pay remit exceeding budget	-	(0.4)	(0.4)
Other changes	0.1	(0.1)	-
Current forecast	**111.6**	**(106.3)**	**5.3**

We have secured £2.6m of extra retainable fine recoveries following successful enforcement and recovery action.

We have generated £1.8m of extra DP fees following successful campaigns to identify organisations that should register and pay registration fees.

We have received £2.2m extra funding from the Regulatory Innovation Office (RIO) and additional Grant in Aid (GIA) from DSIT.

We have agreed plans to move our Head Office to Manchester and expect to progress preparations and related costs into this financial year to enable the relocation next year.

Summary Financial Performance - January 2026

Expenditure

The ICO has spent £81.6m year to date, 96% of the budget for this period. The variance of £3m is spread over several business areas.

Staff costs are £1.5m below budget. The staff vacancy rate was relatively high at the start of the year. Whilst staffing levels are expected to remain relatively high in the remaining months of the year, we have reduced the staff forecast accordingly.

Income

The ICO has received £92.2m of income to date and is now ahead of budget by £6.9m. DP Fee income is £3.1m ahead, due to continuing strong results from acquisitions and other campaigns. Fine retention income is £2.9m 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 a significant part of budgeted expenditure remains unspent and is expected to be incurred in the remaining months 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 part of the year including DDaT expenditure.

In relation to delivering our £9.9m capital investment programme, £6.9m relates to estate tenancies 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	77.5	80.6	3.1	95.3	97.1	1.8	73.8
GRANT IN AID AND GOVERNMENT FUNDING	6.2	6.9	0.7	7.5	9.6	2.1	17.1
FINE RETENTION INCOME	1.5	4.4	2.9	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	0.3	0.2	0.3	0.5	0.2	0.7
TOTAL INCOME	**85.3**	**92.2**	**6.9**	**104.9**	**111.6**	**6.7**	**93.1**
STAFF COSTS	66.4	64.9	1.5	80.3	79.1	1.2	72.5
TRAINING AND RECRUITMENT	1.2	0.9	0.3	1.4	1.4	0.0	1.0
OFFICE COSTS (NON-CAPITAL)	3.3	3.0	0.3	3.9	3.8	0.1	3.6
IT COSTS (NON-CAPITAL)	4.8	5.1	-0.3	6.3	6.4	-0.1	5.7
PROJECT SPEND (NON-CAPITAL)	2.3	1.4	0.9	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	0.4	0.3	0.1	0.4	0.4	0.0	0.4
TRAVEL	0.5	0.5	0.0	0.6	0.7	-0.1	0.6
LEGAL, PROFESSIONAL & OTHER	3.2	2.8	0.4	4.2	5.9	-1.7	3.1
Sub-total	**82.5**	**79.2**	**3.3**	**102.4**	**101.3**	**1.1**	**88.4**
Capital Cash Spend - Lease rentals							
Office costs	1.3	1.5	-0.2	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	**1.5**	**1.7**	**-0.2**	**1.8**	**2.0**	**-0.2**	**1.6**
Capital Cash Spend - Other							
Estates and IT	0.1	0.1	0.0	0.2	1.0	-0.8	0.8
Delivery	0.5	0.6	-0.1	0.5	2.0	-1.5	0.9
Total	**0.6**	**0.7**	**-0.1**	**0.7**	**3.0**	**-2.3**	**1.7**
TOTAL COSTS	**84.6**	**81.6**	**3.0**	**104.9**	**106.3**	**-1.4**	**91.8**
SURPLUS/(DEFICIT)	**0.7**	**10.6**	**9.9**	**0.0**	**5.3**	**5.3**	**1.3**