

# Financial Report – November 2025

## Executive Summary

This report sets out the ICO’s financial position at the end of November 2025. We are currently forecasting a £0.9m year-end surplus.

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

- Increase in expected income from Digital Regulators Cooperation Forum (DRCF), the Regulatory Innovation Office (RIO) and additional Grant in Aid (GIA) together totalling £3.9m. Following receipt of the Capita and Advanced settlements, we re-forecasted our retained fine income and associated costs qualifying under the Netting-off Agreement.
- Increase in expected costs by £3.5m to cover the delivery costs associated with new funding, Manchester office preparation, and the pay remit.

The changes since budget are detailed in the following table:

	<b>Income £m</b>	<b>Expenditure £m</b>	<b>Surplus/(Deficit) £m</b>
<b>Budget</b>	<b>104.9</b>	<b>(104.9)</b>	<b>-</b>
Increase in expected retained fines	2.6	-	2.6
Additional DRCF income	0.1	-	0.1
Pay remit exceeding budget	-	(0.4)	(0.4)
Additional RIO Funding	0.3	(0.4)	(0.1)
Additional GIA funding	1.3	(1.3)	-
Manchester office in-year spend following commitment of lease	-	(1.0)	(1.0)
Additional lease rentals	-	(0.1)	(0.1)
Other changes	0.1	(0.3)	(0.2)
<b>Current forecast</b>	<b>109.3</b>	<b>(108.4)</b>	<b>0.9</b>

## Summary Financial Performance - November 2025

### Expenditure

The ICO has spent £63.1m year to date, 95% of the budget for this period. The variance of £3.5m is spread over several business areas.

Staff costs are £2.6m below budget. This is due to several factors, including that pay remit was phased into the budget from July but has not yet been paid and vacancies have been running higher than budgeted. The remaining variance of £0.9m is spread across several areas.

### Income

The ICO has received £74.3m of income to date and is now ahead of budget by £5.8m.

DP Fee income is £2.5m ahead, due to strong acquisitions and other campaigns year to date.

Our fine retention income is now £3.2m ahead following the recovery of the Capita and Advanced settlements.

## Risks and opportunities

### Expenditure

Several risks could impact on our reported position.

- The majority of the Transformation portfolio is invested in individual Programme projects. There is a reasonable level of confidence overall that the unspent forecast will be spent by year end at this stage.
- Planning for the fit out of the Manchester office is progressing following legal completion on 1 December. The preparations for the move in Autumn of next year will be in progress at year-end. We have estimated nearly £2m of costs to be incurred in the current financial year in advance of our actual move. This estimate is likely to fluctuate as estimates and timelines are firmed up.

More broadly we continue to identify other opportunities to accelerate activity against priorities, to address any potential underspends that could emerge over the remaining months of the year.

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, £2.5m is unspent at November. The majority relates to the Manchester office move, the detailed designs and planning for which are still in progress and are not expected to be incurred until later in 2025/26.

### **DP Fee Income**

Based on performance to date, reflecting our strong campaign results, we currently assess no risk of underperformance against the DP fee income budget.

We continue to monitor trends and performance carefully for this volatile income stream. Finance and Business Services work together updating the income position and addressing emerging themes, underpinned by detailed and re-profiled forecasts aligning our fee management activities.

### **Fine Retention Income**

Following the recovery of the Capita and Advanced settlements we now have no risk in our fine retention income.

We have returned to the Consolidated Fund the recoveries that exceed what we are entitled to retain under the Netting-off Agreement.

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	62.2	64.7	2.5	95.3	95.3	0.0	73.8
GRANT IN AID AND GOVERNMENT FUNDING	5.0	5.0	0.0	7.5	9.1	1.6	17.1
FINE RETENTION INCOME	1.2	4.4	3.2	1.8	4.4	2.6	1.5
DRAWDOWN FROM RESERVES	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
<b>TOTAL INCOME</b>	<b>68.5</b>	<b>74.3</b>	<b>5.8</b>	<b>104.9</b>	<b>109.3</b>	<b>4.4</b>	<b>93.1</b>
STAFF COSTS	52.6	50.0	2.6	80.3	81.6	-1.3	72.5
TRAINING AND RECRUITMENT	0.9	0.7	0.2	1.4	1.4	0.0	1.0
OFFICE COSTS (NON-CAPITAL)	2.6	2.5	0.1	4.0	4.1	-0.1	3.6
IT COSTS (NON-CAPITAL)	3.6	4.0	-0.4	6.3	6.4	-0.1	5.7
PROJECT SPEND (NON-CAPITAL)	1.6	1.2	0.4	5.0	3.0	2.0	1.3
COMMUNICATIONS	0.4	0.2	0.2	0.5	0.6	-0.1	0.2
FINANCIAL COSTS	0.3	0.3	0.0	0.4	0.4	0.0	0.4
TRAVEL	0.4	0.5	-0.1	0.6	0.7	-0.1	0.6
LEGAL, PROFESSIONAL & OTHER	2.5	2.3	0.2	4.2	5.2	-1.0	3.1
<b>Sub-total</b>	<b>64.9</b>	<b>61.7</b>	<b>3.2</b>	<b>102.7</b>	<b>103.4</b>	<b>-0.7</b>	<b>88.4</b>
<b>Capital Cash Spend - Lease rentals</b>							
Office costs	1.0	0.7	0.3	1.6	1.7	-0.1	1.3
IT costs	0.2	0.2	0.0	0.2	0.3	-0.1	0.3
<b>Total</b>	<b>1.2</b>	<b>0.9</b>	<b>0.3</b>	<b>1.8</b>	<b>2.0</b>	<b>-0.2</b>	<b>1.6</b>
<b>Capital Cash Spend - Other</b>							
Estates	0.0	0.0	0.0	0.0	1.0	-1.0	0.8
Delivery	0.5	0.5	0.0	0.4	2.0	-1.6	0.9
<b>Total</b>	<b>0.5</b>	<b>0.5</b>	<b>0.0</b>	<b>0.4</b>	<b>3.0</b>	<b>-2.6</b>	<b>1.7</b>
<b>TOTAL COSTS</b>	<b>66.6</b>	<b>63.1</b>	<b>3.5</b>	<b>104.9</b>	<b>108.4</b>	<b>-3.5</b>	<b>91.8</b>
<b>SURPLUS/(DEFICIT)</b>	<b>1.9</b>	<b>11.2</b>	<b>9.3</b>	<b>0.0</b>	<b>0.9</b>	<b>0.9</b>	<b>1.3</b>