

Meeting	SPA Public Board
Date	25 May 2017
Location	Golden Jubilee Conference Hotel, Clydebank
Title of Paper	Financial Report – Indicative End Year Outturn
Item No	5
Presented by	James Gray, Chief Financial Officer
Recommendation to members	For Noting
Appendix Attached	No

PURPOSE

The purpose of this report is to provide an update on the provisional 2016/17 financial outturn.

1. BACKGROUND

- 1.1 This report presents the provisional outturn position for financial year 2016/17.
- 1.2 The high level position is presented within this report. Work is progressing in developing a report that provides further detail. A more detailed report will, therefore, be presented to Finance Committee on 1 June 2017 and then to the Board on 22 June 2017.

2. FURTHER DETAIL ON REPORT TOPIC

- 2.1 The provisional net outturn position, when revenue, capital and reform are taken together, is an over-spend of £17.1m.
- 2.2 At period 10 a forecast overall overspend of £17.5m was reported to SPA (a position consistently reported since period 5). The draft provisional financial outturn of £17.1m therefore represents a reduction of £0.4m in the overall deficit position.
- 2.3 This outturn is summarised in the table on the following page.
- 2.4 The outturn is presented in relation to each of the main funding streams of revenue, capital and reform in the table below.

	Revenue £m	Capital £m	Reform £m	Overall Position £m
Forecast Expenditure	1,033.4	20.7	40.0	1,094.1
<u>Funding</u>				
Grant-in-aid	-1,003.4	-16.2		
Capital receipts		-2.2		
Reform funding			-52.6	
Additional Scottish Government funding	-0.6	-2.0		
Total Funding	-1,004.0	-20.4	-52.6	-1,077.0
Over / (Under) Spend	29.4	0.3	-12.6	17.1

NOT PROTECTIVELY MARKED

2.4 The following table below sets out the movement in the forecast outturn between period 10 and the provisional outturn.

	Revenue	Capital	Reform	Overall Position
	£m	£m	£m	£m
Forecast at Period 10 Over / (Under) Spend	26.3	-0.2	-8.6	17.5
Provisional Outturn Over / (Under) Spend	29.4	0.3	-12.6	17.1
Movement Adverse / (Positive)	3.1	0.5	-4.0	-0.4

2.5 The reasons for the movements are as follows –

- **Revenue** – The over-spend has increased by £3.1m. This is due to a reduction in allocation from reform of £4.2m, relating to expenditure which previously funded in this way but is no longer considered to be reform related. This is partially offset by additional Scottish Government funding of £0.6m (VISOR, POCA and control rooms) and an overall net reduction in revenue spend of £0.5m
- **Capital** – The under-spend at period 10 of £0.2m has moved by £0.5m and is now an over-spend of £0.3m. This relates to an increase in capital spend of approximately £1m (largely ICT related) as partially offset by an increase in the allocation to capital from reform of £0.5m for irrecoverable VAT.
- **Reform** – The underspend has increased primarily due to £4.2m of costs (Gartcosh and trade union costs) which Scottish Government has not approved as an allocation against reform funding in respect of financial year 2016/17. These costs, an approved charge to reform funding in previous years, then required to be supported from revenue grant-in-aid funding (with the effect of increasing the over-spend on revenue and increasing the underspend against reform funding).

3. FINANCIAL IMPLICATIONS

3.1 The financial position for financial year 2016/17 is set out in this report.

4. PERSONNEL IMPLICATIONS

4.1 There are no direct personnel implications associated with this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications associated with this report.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no direct reputational implications arising from with report.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications directly associated with this report.

8. COMMUNITY IMPACT

8.1 There are no community impact implications directly associated with this report.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications directly associated with this report.

10 ENVIRONMENTAL IMPLICATION

10.1 There are no environmental implications associated with this report.

RECOMMENDATIONS

Members are requested to:

Note the information contained within this report.