

<b>Meeting</b>	<b>SPA Board Meeting</b>
<b>Date</b>	<b>31 May 2018</b>
<b>Location</b>	<b>COSLA, Verity House, Haymarket Yards, Edinburgh, EH12 5BH</b>
<b>Title of Paper</b>	<b>Financial Performance Report – 2017/18 Indicative Outturn</b>
<b>Reference</b>	<b>B05.2018/04</b>
<b>Presented by</b>	<b>James Gray, Chief Financial Officer</b>
<b>Recommendation to members</b>	<b>For Discussion</b>
<b>Appendix Attached</b>	<b>No</b>

**PURPOSE**

The purpose of this report is to provide an update on the provisional 2017/18 financial outturn.

## 1. BACKGROUND

- 1.1 This report presents the provisional outturn position for financial year 2017/18.
- 1.2 The high level position is presented in draft within this report. Year-end processes are continuing and so the figures could be subject to change.
- 1.3 A more detailed report with explanation of key variances will be presented to Finance Committee on 12 June 2018 and then to the Board on 28 June 2018.

## 2. FURTHER DETAIL ON REPORT TOPIC

- 2.1 The provisional net outturn position in relation to revenue, capital and reform expenditure is set out in the table below.

	Revenue £m	Capital £m	Reform £m	Overall Position £m
<b>Net Expenditure (Provisional)</b>	<b>1,057.5</b>	<b>25.9</b>	<b>46.8</b>	<b>1,130.2</b>
<b>Funding</b>				
Grant-in aid	1,022.4	20.0		1,042.4
Capital receipts		5.8		5.8
Reform funding			49.6	49.6
Additional SG Funding	0.4	0.0	0.0	0.4
<b>Total Funding</b>	<b>1,022.8</b>	<b>25.8</b>	<b>49.6</b>	<b>1,098.2</b>
<b>(Over) / Under</b>	<b>-34.8</b>	<b>-0.1</b>	<b>2.8</b>	<b>-32.0</b>
<b>(Over) / Under - Period 10</b>	<b>-35.5</b>	<b>-0.1</b>	<b>13.7</b>	<b>-21.9</b>
<b>Movement from P10</b>	<b>0.7</b>	<b>0.0</b>	<b>-10.9</b>	<b>-10.1</b>

- 2.2 The reasons for the movements are as follows –

- **Revenue** – The over-spend has reduced by £0.7m from the period 10 forecast. This is due to a number of movements. The key movements are in relation to: pay related costs (£4m favourable); increased cost of the

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police staff pay award (£1.7m adverse) and property maintenance costs (£1.4m adverse).

- **Capital** – There are no material movements in the capital outturn from period 10.
- **Reform** – The reform position has moved by £10.9m from period 10. The period 10 report included a total reform budget of £59.5m (representing the total available reform funding). The use of reform funding is subject to the completion of a business case to support the requested expenditure and requires the approval of the Scottish Government. The final drawdown approved by the Scottish Government was £49.6m based on approved business cases which is £9.9m lower than total available funding which was forecast at period 10.

### 3. FINANCIAL IMPLICATIONS

3.1 The financial position for financial year 2017/18 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 discuss the information contained within this report.