

<b>Meeting</b>	<b>SPA Resources Committee</b>
<b>Date</b>	<b>10 May 2022</b>
<b>Location</b>	<b>Video Conference</b>
<b>Title of Paper</b>	<b>Provisional Year End Outturn 2021/22 – High Level Update</b>
<b>Presented By</b>	<b>Lynn Brown, Strategic Financial Planning and Budgeting Lead</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 2021/22 financial outturn.

A more detailed report with explanation of key variances will be presented to the next meeting on 13 June 2022.

Members are requested to discuss the content of this paper.

## 1. BACKGROUND

- 1.1 This report presents the provisional outturn position for financial year 2021/22.
- 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 the next SPA Resources Committee on 13 June 2022.

## 2 FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The table below shows final net expenditure and the funding available to the organisation in the year, split by the three budgetary streams: revenue, capital and reform.

Overall Outturn Summary	Revenue £m	Capital £m	Reform Revenue £m
<b>Net Expenditure (Provisional)</b>	1,227.9	58.1	22.8
<b>Funded By:</b>			
Grant-in aid	1,225.0	50.1	
Reform funding		4.6	23.1
Capital receipts		2.4	
Other grants		1.3	
<b>Total Funding</b>	1,225.0	58.4	23.1
<b>(Over) / Under</b>	(2.9)	0.3	0.3
<b>Movement versus Q3</b>	3.3	0.3	0.3

### 2.2 Revenue

- The provisional outturn revenue position for the year ended 31 March 2022 currently shows a net expenditure of £1,227.9m which is £3.3m under the quarter three full year forecast of £1,231.2m. This is mainly due to the cost of additional untaken annual leave balances being lower than originally anticipated.
- Of the £1,227.9m net expenditure, £1,216.2m relates to the core revenue budget which has broken even on a recurring basis, and £11.7m relates to the in-year impact of COVID (£3.3m under the £15m in-year funding allocation).

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- At the time of the quarter two forecast, all indications were that Police Scotland would not utilise all of the £15m in-year COVID funding. This was discussed with Scottish Government, and as a result a technical adjustment was made through the Spring Budget Revision (SBR) to remove £6.2m of the COVID funding from the overall budget allocation.
- The emergence of the Omicron variant of COVID-19, and the additional restrictions that were put in place in December 2021, had significant consequences for the operational policing response. Scottish Government therefore authorised the Police Authority to spend **up to** an additional £6.2m on COVID-19 related expenditure, effectively reinstating the £15m COVID funding for 2021-22.
- The Police Authority only required to spend £2.9m of this additional authorised spend.
- As a result of timing, the £2.9m is presented as a technical (approved) overspend within this paper, however, as noted above, all spend is in line with the approved Scottish Government funding position.

### 2.3 **Capital**

- The full year outturn capital spend of £58.1m and funding of £58.4m are both primarily in line with quarter three full year forecast, resulting in an underspend of £0.3m.
- The year-end outturn variance of £0.3m is under budget, due to additional funding of £4.7m, provided by Scottish Government (£4.6m) and other funding sources (£0.1m) offset by additional authorised expenditure of £4.4m primarily related to post mortem toxicology (£3.4m) and other capital items (£1.0m).

### 2.4 **Reform**

- The full year outturn revenue reform spend of £22.8m is £0.3m under quarter three full year forecast of £23.1m.
- The full year outturn is £0.3m under budget due primarily to slippage and delays in Transformation Resource, Enabling Policing for the Future (EPF) programme and Estates transformation totalling £2.2m offset by a revised funding reduction from Scottish Government of £1.9m.

**3. FINANCIAL IMPLICATIONS**

3.1 The financial position for the financial year 2021/22 are set out in this report.

**4. PERSONNEL IMPLICATIONS**

4.1 There are no personnel implications associated with this report.

**5. LEGAL IMPLICATIONS**

5.1 There are no legal implications associated with this report.

**6. REPUTATIONAL IMPLICATIONS**

6.1 There are no reputational implications associated with this report.

**7. SOCIAL IMPLICATIONS**

7.1 There are no social implications associated with this report.

**8. COMMUNITY IMPACT**

8.1 There are no community implications associated with this report.

**9. EQUALITIES IMPLICATIONS**

9.1 There are no equality implications associated with this report.

**10. ENVIRONMENT IMPLICATIONS**

10.1 There are no environmental implications associated with this report.

**RECOMMENDATIONS**

Members are requested to discuss the information contained within this report.