

Meeting	SPA Resources Committee
Date	18 May 2021
Location	Video Conference
Title of Paper	Provisional Year End Outturn 2021/21 – High Level Update
Presented By	James Gray, Chief Financial Officer
Recommendation to Members	For Discussion
Appendix Attached	No

PURPOSE

The purpose of this report is to provide an update on the provisional 2020/21 financial outturn.

Members are invited to discuss the content of this paper.

1. BACKGROUND

- 1.1 This report presents the provisional outturn position for financial year 2020/21.
- 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 17 June 2021.

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	Capital	Reform - Revenue
	£m	£m	£m
Net Expenditure (Provisional)	1,192.3	63.7	22.5
Funded By:			
Grant-in aid	1,156.3	45.4	
Reform funding		4.6	25.0
Capital receipts		0.7	
Other grants		0.7	
Total Funding	1,156.3	51.4	25.0
(Over) / Under	(36.0)	(12.3)	2.5
Movement versus Q3	0.0	(12.5)	0.0
Movement versus Budget	8.0	(12.0)	2.5

2.2 Revenue

- The provisional outturn revenue position for the year ended 31 March 2021 currently shows an operating deficit of £36.0m which is in line with the quarter three full year forecast.
- The provisional outturn operating deficit of £36.0m is £8.0m lower than budget primarily due to additional funding received from the Scottish Government (£8.2m) to compensate the Police Authority for the impact of COVID-19. There are a number of

other offsetting variances that have been managed as part of the in-year reforecasting process and broadly net to zero.

2.3 **Capital**

- The full year outturn capital spend of £63.7m is £12.5m above quarter three forecast. The outturn funding of £51.4m is £0.2m above the quarter three forecast. This has resulted in an **allowable overspend** of £12.3m. After consultation with the Scottish Government, the following was agreed:
 - to transfer the reform funding underspend of £2.5m to capital budgetary provision;
 - Scottish Ministers approved an additional one-off capital budget of up to £10m to invest in modernisation and renewal of the police fleet and
 - therefore authorisation was provided to allow the Scottish Police Authority to overspend its revised 2020/21 capital budget by **up to a total of £12.5m**.
- The year-end outturn variance of £12.0m is above budget in line with the authorised overspend of £12.3m invested primarily in police fleet. There are also a number of other offsetting variances that have been managed as part of the in-year reforecasting process and broadly net to £0.3m under budget and offset by reduced funding, primarily from property disposals.

2.4 **Reform**

- The full year outturn revenue reform spend of £22.5m is in line with the previous reported quarter three forecast.
- The full year outturn is £2.5m under budget mainly driven by lower costs associated with SPRM appeals.

3. **FINANCIAL IMPLICATIONS**

- 3.1 The financial position for the financial year 2020/21 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 paper.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications associated with this paper.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications associated with this paper.

8. COMMUNITY IMPACT

8.1 There are no community implications associated with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no equality implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this paper.

RECOMMENDATIONS

Members are invited to discuss the content of this paper.