

Meeting	Authority Meeting
Date	26 May 2022
Location	Video Conference
Title of Paper	Financial Outturn 2021/22
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 2021/22 financial outturn.

A more detailed report with explanation of key variances will be presented to the next meeting on 23 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 Authority meeting on 23 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
Net Expenditure (Provisional)	1,227.9	58.1	22.8
Funded By:			
Grant-in aid	1,225.0	50.1	
Reform funding		4.6	23.1
Capital receipts		2.4	
Other grants		1.3	
Total Funding	1,225.0	58.4	23.1
(Over) / Under	(2.9)	0.3	0.3
Movement versus Q3	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.