

Meeting	Authority Meeting
Date	20 May 2020
Location	Video- conference
Title of Paper	Financial Performance – Indicative Outturn
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 2019/20 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 2019/20.
- 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 Board on 30 June 2020.

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)	1,141.4	45.2	24.0
Funded By:			
Grant-in aid	1,114.6	36.1	
Capital receipts		4.4	
Reform funding		4.6	24.0
Other grants		0.1	
Total Funding	1,114.6	45.2	24.0
(Over) / Under	(26.8)	0.0	0.0
Movement versus Q3 Forecast	(1.2)	0.4	0.0
Movement versus Budget	(2.2)	(2.1)	1.0

Revenue

- 2.2 The provisional outturn revenue position for the year ended 31 March 2020 currently shows an operating deficit of £26.8m which is £1.2m higher than the quarter three full year forecast of £25.6m.
- 2.3 The main items contributing to the deficit increase of £1.2m are COVID-19 related expenditure of £2.2m consisting of Personal Protective Equipment (PPE) £0.8m, additional Overtime £0.4m and the cost of annual leave days cancelled to support the operational policing requirements (£1.1m). These additional costs are partly offset by an underspend in Public Order protective clothing (£1.0m) due to a delay in delivery of these items prior to year-end, an

element of which is driven by supply chain issues resulting from COVID-19 disruption.

- 2.4 The provisional outturn operating deficit of £26.8m is £2.2m higher than budget primarily due the COVID-19 costs and annual leave cancelation described above. There are a number of other offsetting variances that have been managed across the year as part of the quarterly reforecasting process and broadly net to zero.

Capital

- 2.5 The full year outturn capital spend of £45.2m is in line with the amount of capital funding available. Capital funding changed from the previous reported forecast figure at quarter three from £45.6m to £45.2m to reflect changes in capital receipts.
- 2.6 The year-end outturn variance of £2.1m is above budget but offset by compensating increased funding, primarily from property disposals and successful bids to the SG Justice Transformation fund.

Reform

- 2.7 The full year outturn revenue reform spend of £24.0m is in line with the previous reported quarter three forecast.
- 2.8 The full year outturn is £1.0m under budget due to grant-in-aid funding being reduced in-year from £25.0m to £24.0m, reflecting SPA contribution to the overall Scottish Government package for Brexit-related measures.

3. FINANCIAL IMPLICATIONS

- 3.1 The financial position for the financial year 2019/20 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 information contained within this report.