

SPCB FINANCE REPORT

Period 3 – June 2012

1. This report is to inform SPCB of general financial activity and expenditure trends in 2012-13.

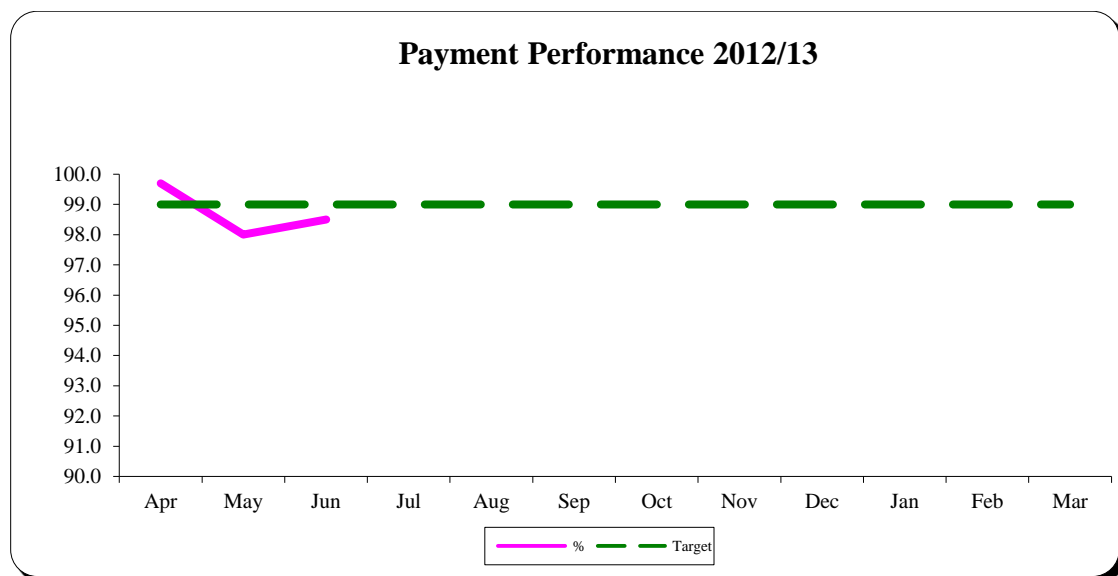
Head of Financial Resources Commentary / Executive Summary

2. The Scottish Parliament's total revenue and capital expenditure for the three months in 2012-13 of £16.2m represents an under spend against budget of £0.9m (5.3%). This is lower, in absolute terms, than the comparable position in 2011-12 at period 3 of £1.1m (5.3%).
3. We have incorporated an early reallocation of the SPCB's approved 2012-13 budget within the period 2 figures to reflect known adjustments between the budget setting process in November 2011 and the start of the financial year. This includes budget transfers resulting from the early realisation of savings achieved from the 2011-12 change management programme.
4. Our ability to provide the normal level of financial reporting is currently constrained, due to the recent SEAS system upgrade. This was due to be resolved for Period 3 but has not been fully completed. We will work with the Scottish Government to fully resolve these outstanding issues.

General Financial Activity

5. Bank reconciliations and main control account reconciliations for 2012-13, including CORE holding accounts, have been completed and reviewed up to period 3. Some payroll reconciliations have been completed for 2012-13.
6. The 2011-12 annual accounts have been drafted and Audit Scotland has now commenced their audit fieldwork which is due to complete in early September. Work is still on-going to complete the 2011-12 reconciliations for the CASE control account.
7. The Finance Office has been liaising closely with the Scottish Government (SG) on the project to upgrade SEAS, the financial accounting system which we use. The upgraded version went live on 3 April and the satisfactory migration of balances from the old system was confirmed by a review by the Head of Internal Audit. All transactions for 2012-13 are being processed through the new system. A log of issues arising with the operation of the new system is being maintained and we are pursuing these issues with the SG. Following some progress on resolving reporting issues for period 3, the focus remains on now resolving the remaining reporting issues, including VAT analysis and VAT accruals and accounting. We will work with the SG to address these as quickly as possible.

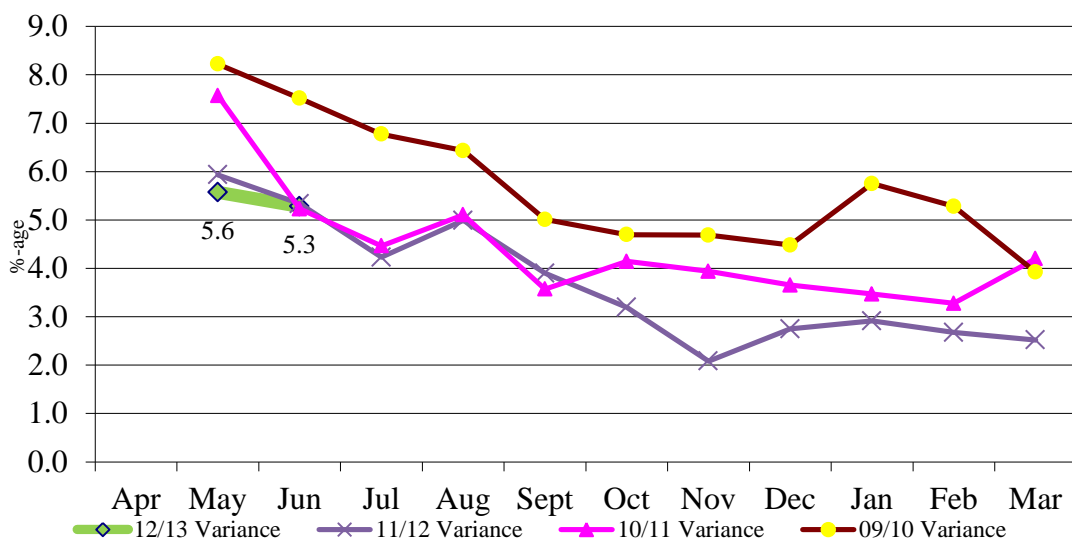
8. As reported last year, we implemented a new system for the processing of travel and expense claims with effect from 1 March. Although there have been some initial delays while the new system beds down, transactions are being processed successfully. Work is in progress on some reporting issues and action has been taken to reduce the initial processing backlogs.
9. Our performance for payment of invoices within contract terms was 99.4% for the month of June and 98.5% for the year to date, which is below our target of 99.0%. This is an improvement on the initial months of the year which were affected by some delays in processing due to the implementation of the SEAS upgrade. There continues to be an increased volume of invoices, up by 9% compared to the comparable period for the year to date in 2011-12. Performance for payment within 10 days was 90.1% for the month and is 79.2% for the year to date.



Financial Results

10. The SPCB's net revenue expenditure per Schedule 1 for the three months ended June 2012 is £16.2m, which is £0.9m (5.3%) under the approved revenue budget of £17.1m. The comparable net revenue underspend at June 2011 was £1.1m (5.3%).

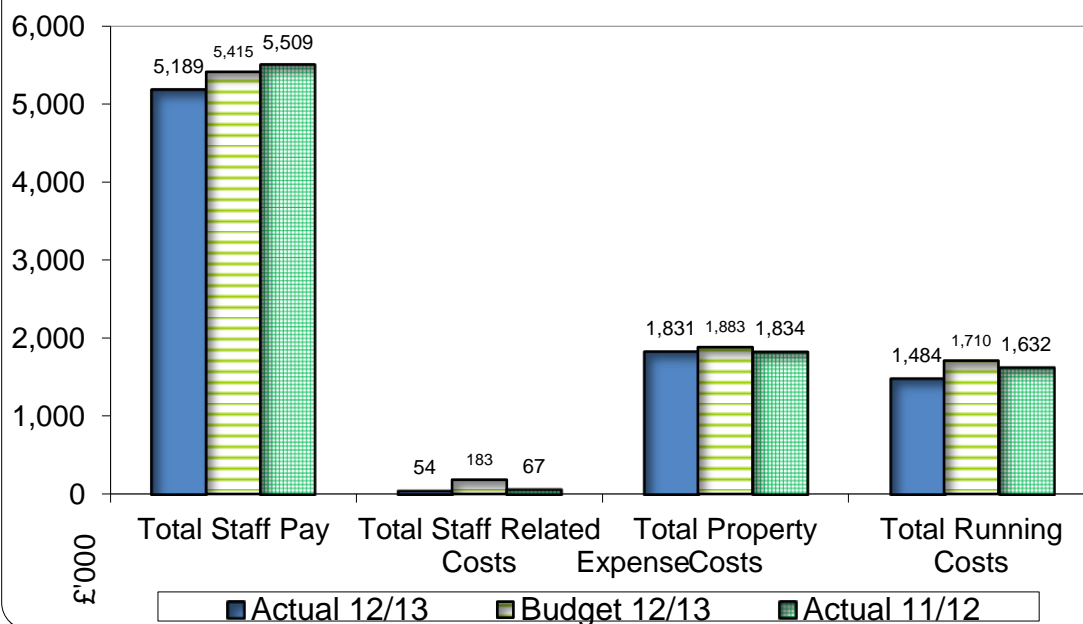
Trend of Cumulative Total Revenue Underspend

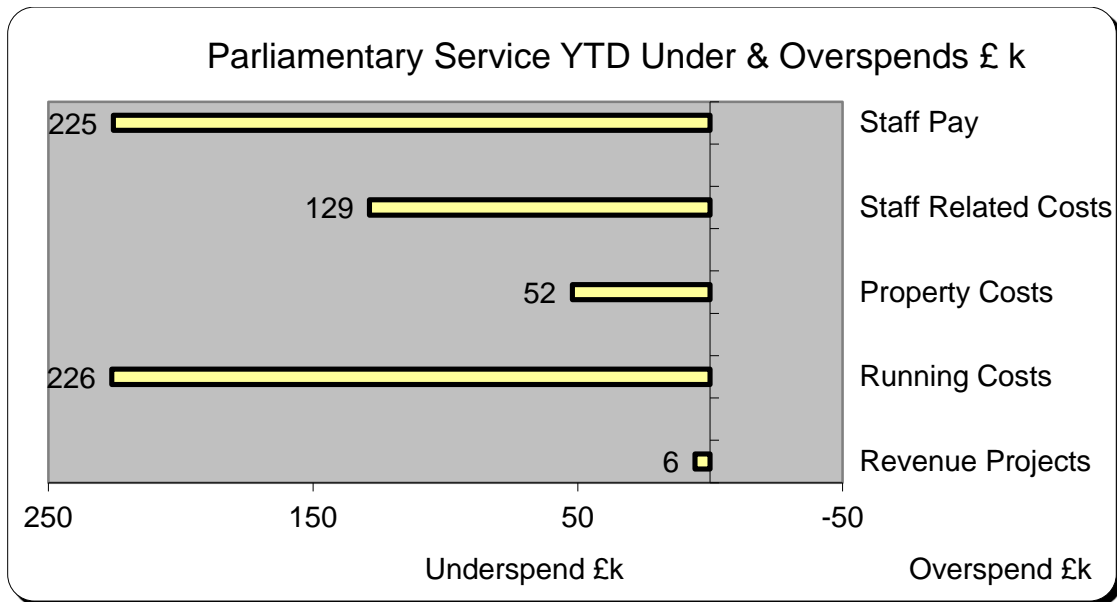


Parliamentary Service Costs (Schedule 2)

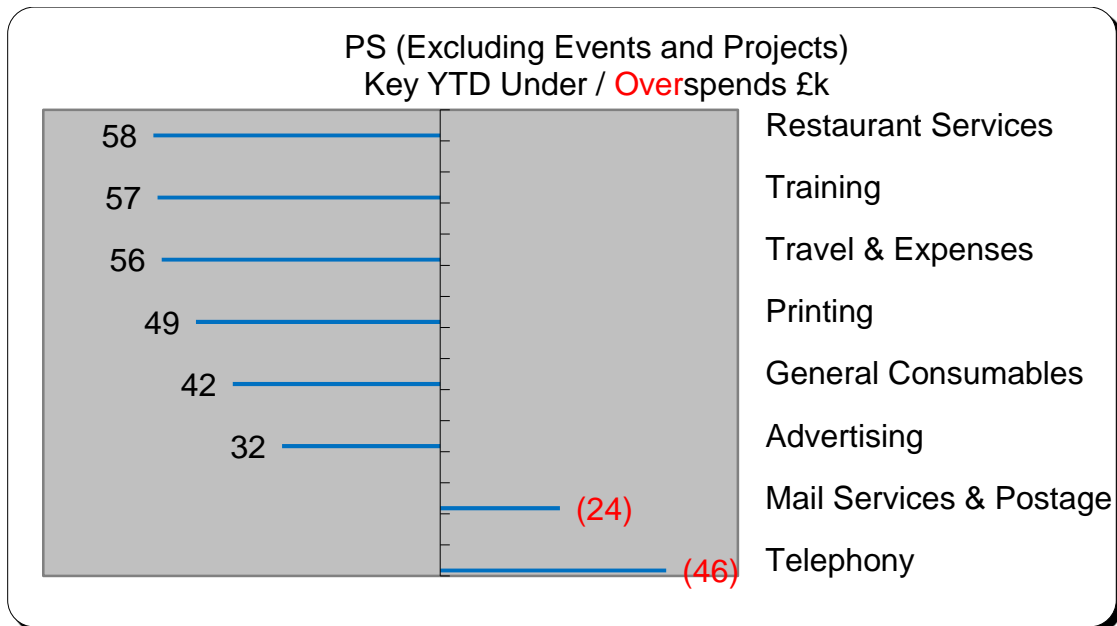
11. The cumulative gross revenue expenditure for the Parliamentary Service (SPS), at £8.7m, is £0.6m (6.9%) under budget. The previous year's expenditure of £9.2m at the equivalent stage was £0.5m (5.2%) below budget. Revenue projects are £6k under phased budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.

Parliamentary Services YTD Expenditure £k





- Staff pay and staff related costs, which represent over half of Parliamentary Service Costs, are currently showing as being £354k under budget and, within this figure, staff pay at £5.2m is being reported at £225k (4.2%) under budget. This variance is principally attributable to the SPICe (£52k) and Chamber (£66k) Offices staff pay.
- Staff related costs of £54k are £129k (70.4%) below budget. Training accounts for £57k of this variance and travel & expenses accounts for £56k.
- Property costs of £1.8m are £52k (2.8%) under budget.
- Running costs of £1.5m are £226k (13.2%) under budget. Main running cost underspends are against Restaurant Services (£58k) and Printing (£49k). The main reported overspends are against Mail Services & Postage (£24k) and Telephony (£46k). The telephony costs variance is due to a payment of annual upfront costs on the new Virgin contract.



Project Reporting (Schedule 3):

12. Schedule 3 shows project spend by category of project. Revenue Projects show a total spend of £105k against a YTD budget of £111k. Most of this spend has been on the CPA Conference and ESF Design Work. The capital expenditure programme for 2012-13 of £1.5m, currently has £255k phased against specific projects. Total expenditure for the year is £58k against the phased year to date budget of £60k, an underspend of £2k (2.7%). Most of this spend has been on the Enhanced Desktop Provision and the Server Replacement Programme. Overall, only 5.7% of the the total project budget has been spent by the end of June 2012.

Members' Costs (Schedule 2)

13. Members' costs are analysed in Schedule 2, which shows £5.6m reported costs for the year to date, £223k (3.8%) below budget. (The corresponding underspend figures for 2011-12 were £0.5m, 6.2%). Of this underspend, £201k is on Members' Expenses. Party Assistance at £102k is £8k (7.1%) below budget.

Commissioners & Ombudsman Costs (Schedule 2)

14. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) for the year to date amounts to £2.0m, which is £37k (1.8%) below the phased budget, principally in respect of the Scottish Information Commissioner and the Public Services Ombudsman.

Central Contingency

15. The SPCB's central revenue contingency remains at £1.7m.

Commitment

16. Reporting on committed expenditure for the upgraded version of SEAS is not yet available.

Period 3 - June 2012 Leadership Group Financial Schedules

Schedule 1

	Year to Date				Current Annual Budget	Original Approved Budget
	Actual	Budget	Variance	Variance		
	£'000	£'000	£'000	%		
Parliamentary Service Costs (Schedule 2)	8,664	9,302	638	6.9	38,544	39,010
Members' Costs (Schedule 2)	5,607	5,830	223	3.8	24,033	24,033
Commissioners & Ombudsman Costs (Schedule 2)	1,951	1,987	37	1.8	8,230	8,230
Sub Total	16,222	17,119	897	5.2	70,807	71,273
Reserves - SPCB Contingency	0	0	0	n/a	1,716	1,250
Gross Revenue Expenditure	16,222	17,119	897	5.2	72,523	72,523
Less Income (PS)	(62)	(58)	4	(7.2)	(234)	(234)
Net Revenue Expenditure	16,160	17,062	901	5.3	72,289	72,289
Capital Expenditure	58	60	2	3.0	1,500	1,500
TOTAL EXPENDITURE	16,218	17,122	903	5.3	73,789	73,789

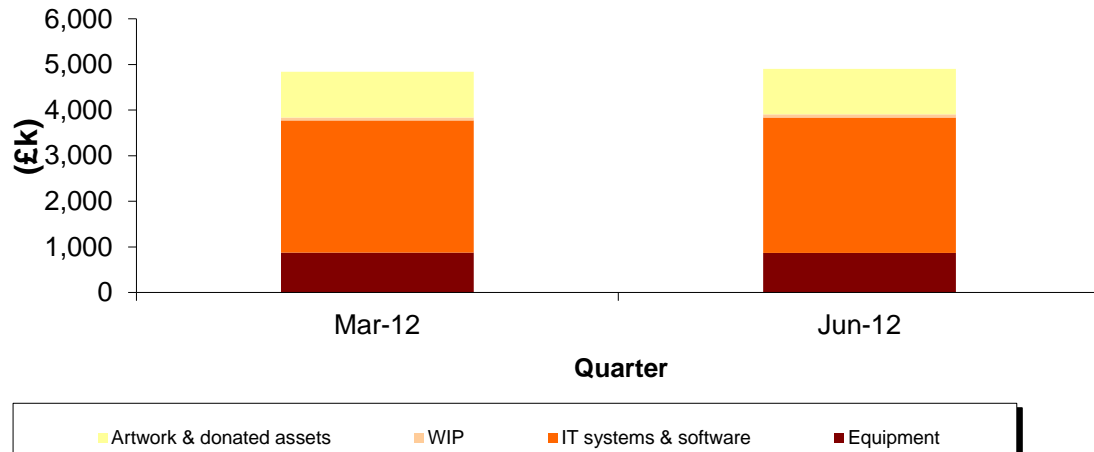
Schedule 2

	Actual £'000	Year-to-date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
<u>Parliamentary Service Costs</u>						
Staff Pay	5,189	5,415	225	4.2	21,516	21,935
Staff Related Costs	54	183	129	70.4	848	834
Property Costs	1,831	1,883	52	2.8	7,763	7,714
Running Costs	1,484	1,710	226	13.2	7,038	7,147
Parliamentary Service Costs excluding Projects	8,559	9,191	632	6.9	37,164	37,630
Revenue Projects	105	111	6	5.2	1,380	1,380
Total PS Revenue Costs	8,664	9,302	638	6.9	38,544	39,010
<u>Members' Costs</u>						
MSP & Officeholders' Pay	2,766	2,780	14	0.5	11,121	11,121
MSP Expenses	2,739	2,940	201	6.8	12,473	12,473
Party Assistance	102	110	8	7.1	439	439
Total	5,607	5,830	223	3.8	24,033	24,033
<u>Commissioners & Ombudsman</u>						
Ethical Standards Commission	180	178	(2)	(1.3)	798	798
Standards Commission	45	50	5	10.0	233	233
Human Rights Commission	279	279	0	0.0	944	944
Scottish Information Commissioner	366	382	16	4.1	1,463	1,463
Public Services Ombudsman	748	766	18	2.3	3,292	3,292
Commissioner for Children	332	333	1	0.2	1,234	1,234
Reserves - C&O Contingency	0	0	0	n/a	266	266
Total	1,951	1,987	37	1.8	8,230	8,230

Project Summary : Revenue / Capital Expenditure analysis June 2012	YTD Actual £k	YTD Budget £k	Variance	Variance %	Current Annual Budget	Original Approved Budget	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
Revenue Projects									
- allocated	105	111	6	5.2	916	856	11.5%	125	686
- unallocated	n/a	n/a	n/a	n/a	464	524	n/a	0	464
Total Revenue Projects	105	111	6	5.2	1,380	1,380	7.6%	125	1,150
Capital Projects									
- allocated	58	60	2	3.0	255	255	22.8%	13	184
- unallocated	n/a	n/a	n/a	n/a	1,245	1,245	n/a	0	1,245
Total Capital Projects	58	60	2	3.0	1,500	1,500	3.9%	13	1,429
TOTAL	163	171	8	4.4	2,880	2,880	5.7%	138	2,579

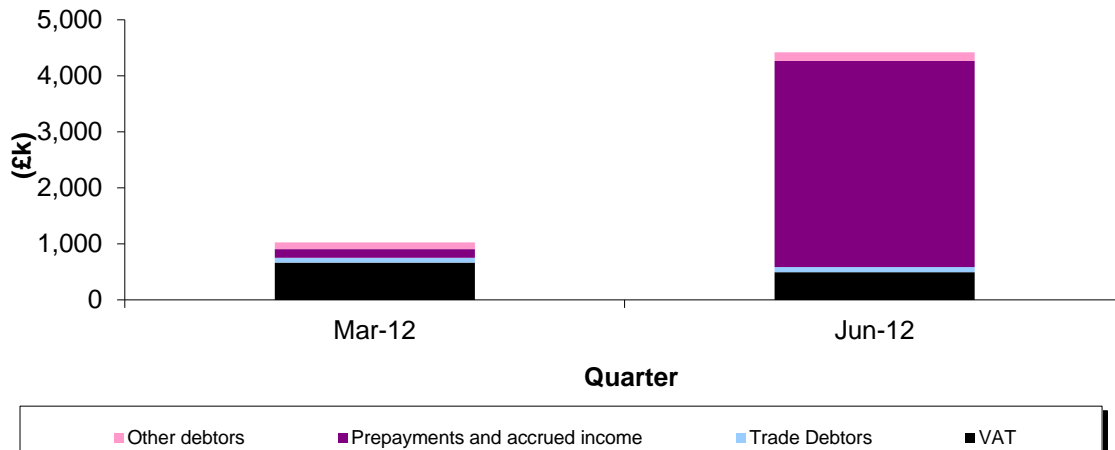
Project Summary : Analysis by Portfolio June 2012	YTD Actual £k	YTD Budget £k	Variance	Variance %	Current Annual Budget	Original Approved Budget	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
IT	61	65	4	5.5	318	318	19.3%	13	244
FM Building & Equipment	22	25	3	11.9	659	659	3.3%	124	513
Engagement	51	51	(0)	(0.2)	54	54	94.6%	1	2
ESF Design	31	30	(1)	(1.7)	60	0	50.9%	0	29
Information Management	0	0	0	n/a	80	80	0.0%	0	80
Other	(2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2
Total Projects Allocated	163	171	8	4.4	1,171	1,111	14.0%	138	870
Unallocated Project Budget	n/a	n/a	n/a	n/a	1,709	1,769	n/a	n/a	1,709
TOTAL	163	171	8	4.4	2,880	2,880	5.7%	138	2,579

Fixed Assets (Excluding Land & Buildings)



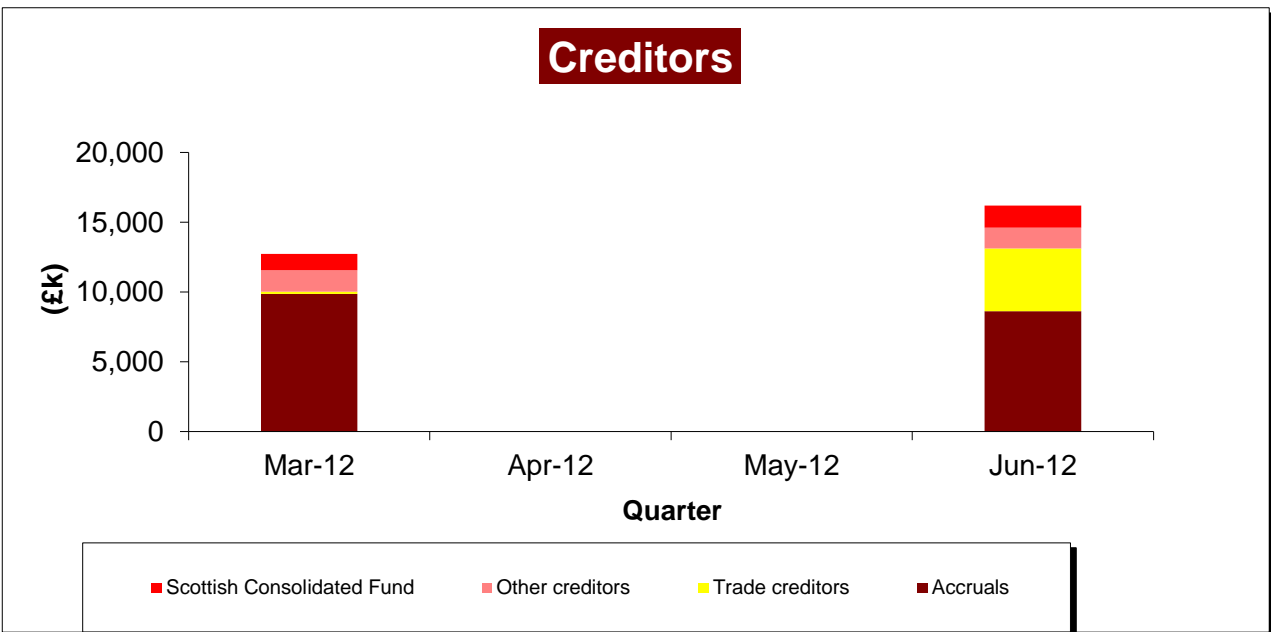
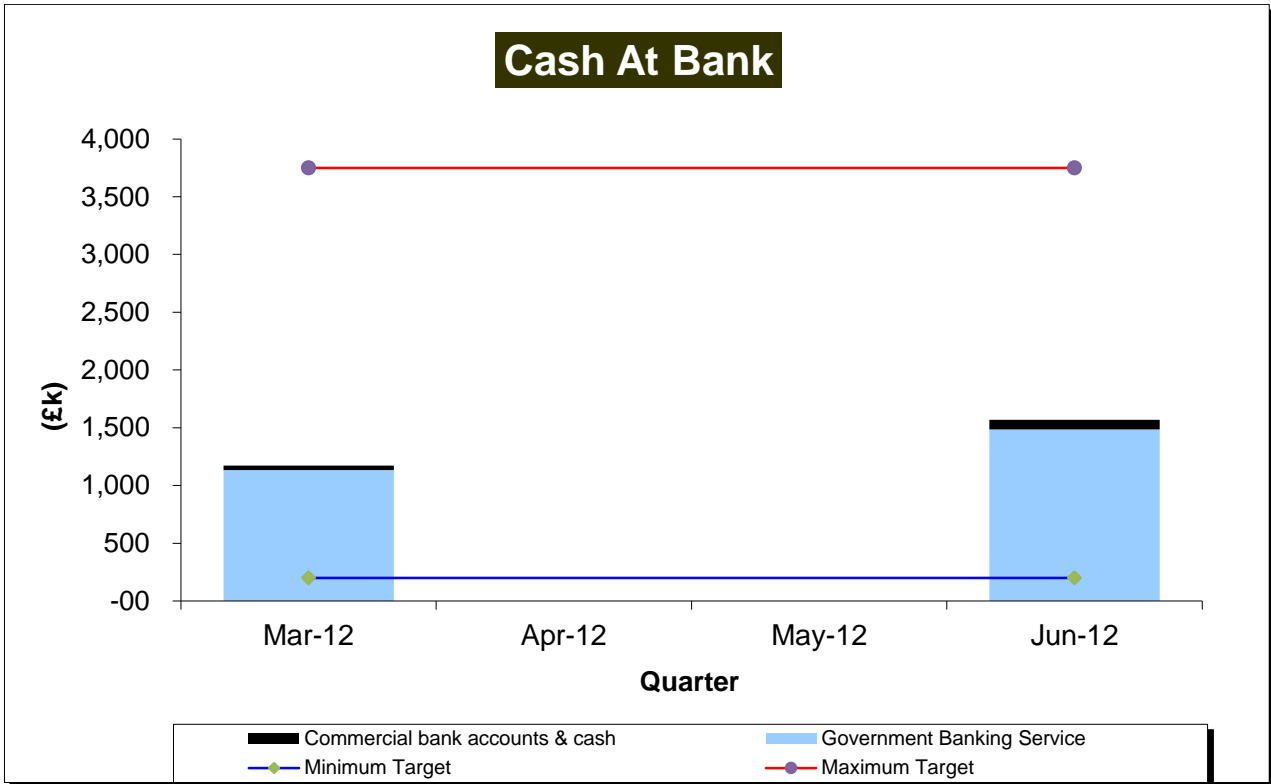
Land & Buildings professionally valued at £306.5m at 31 March 2010.

Debtors



Note

Prepayments are higher in June due to treatment of annual rates invoice.



Note

Scottish Consolidated Fund creditor higher in June - equal to bank balance.
 Trade creditors higher in June 2011 due to inclusion of rates invoice to be paid in September.
 Accruals higher in March due to year end accruals in the annual accounts.