

**SPCB FINANCE REPORT**  
**Period 6 – September 2012**

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

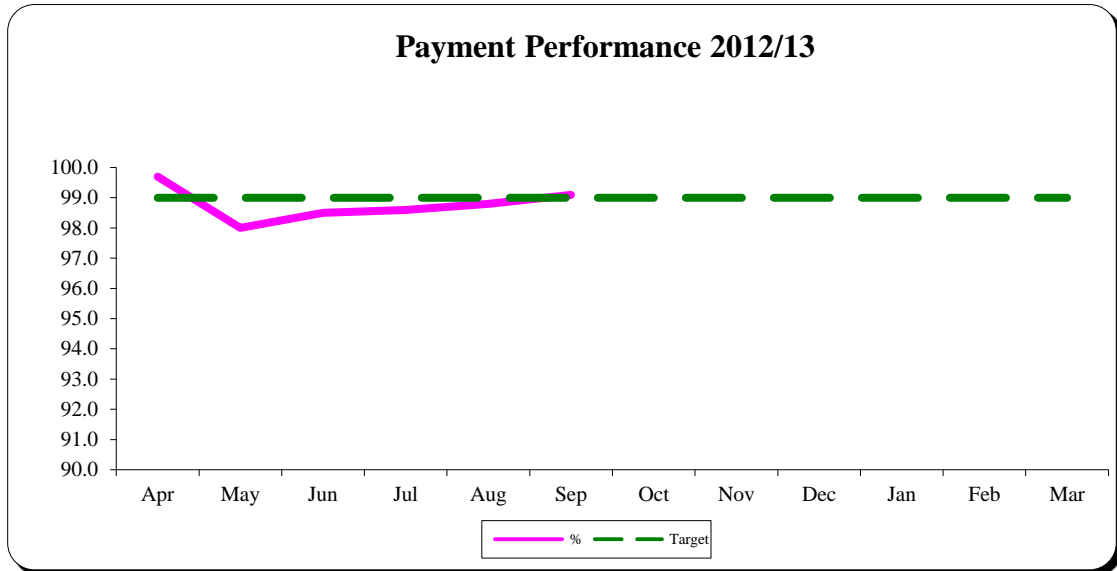
**Head of Financial Resources Commentary / Executive Summary**

2. The Scottish Parliament's total revenue and capital expenditure for the six months in 2012-13 of £32.8m represents an under spend against budget of £1.2m (3.5%). This is lower, in percentage and absolute terms, than the comparable position in 2011-12 at period 6 of £1.5m (4.0%).
3. As previously indicated, we have completed an exercise to review the current year forecast outturn for Parliamentary Service costs, including all major projects, and have incorporated the results in the Period 6 Finance Report.
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 6. Payroll reconciliations are in progress for period 5. VAT returns for Q1 and Q2 have not yet been completed due to issues with VAT reporting from upgraded SEAS.
6. The SPCB 2011-12 accounts were published on 22 October 2012.
7. The Finance Office has been liaising closely with the Scottish Government (SG) on the April 2012 upgrade of SEAS, the financial accounting system which we use. A log of issues arising with the operation of the new system is maintained and we continue to pursue 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. There are also interface issues between the purchasing system, EASEbuy, and upgraded SEAS which are affecting VAT reporting. We continue to work with the SG to address these as quickly as possible. We are also working with the SG to test and pilot new modules of SEAS for Fixed Assets and Cash Management.
8. As reported last year, we implemented a new system for the processing of travel and expense claims with effect from 1 March. Following some initial delays while the new system bedded down, claims payment performance has improved considerably and is again meeting the previous high service levels.

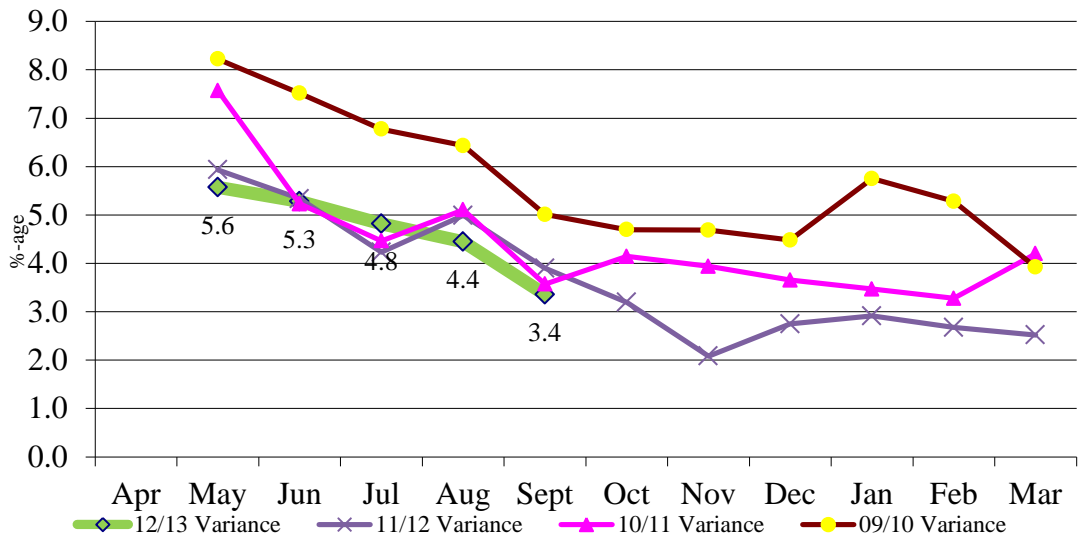
9. Our performance for payment of invoices within contract terms was 100% for the month of September and 99.1% for the year to date, which is above our target of 99.0%. This is a marked improvement on the initial months of the year which were affected by some delays in processing due to the implementation of the SEAS upgrade. Performance for payment within 10 days was 94.6% for the month and is 85.9% for the year to date.



### Financial Results

10. The SPCB's net revenue expenditure per Schedule 1 for the six months ended September 2012 is £32.7m, which is £1.1m (3.4%) under the approved revenue budget of £33.8m. The comparable net revenue underspend at September 2011 was £1.5m (4.0%). These incorporate the results of the September forecasting exercise.

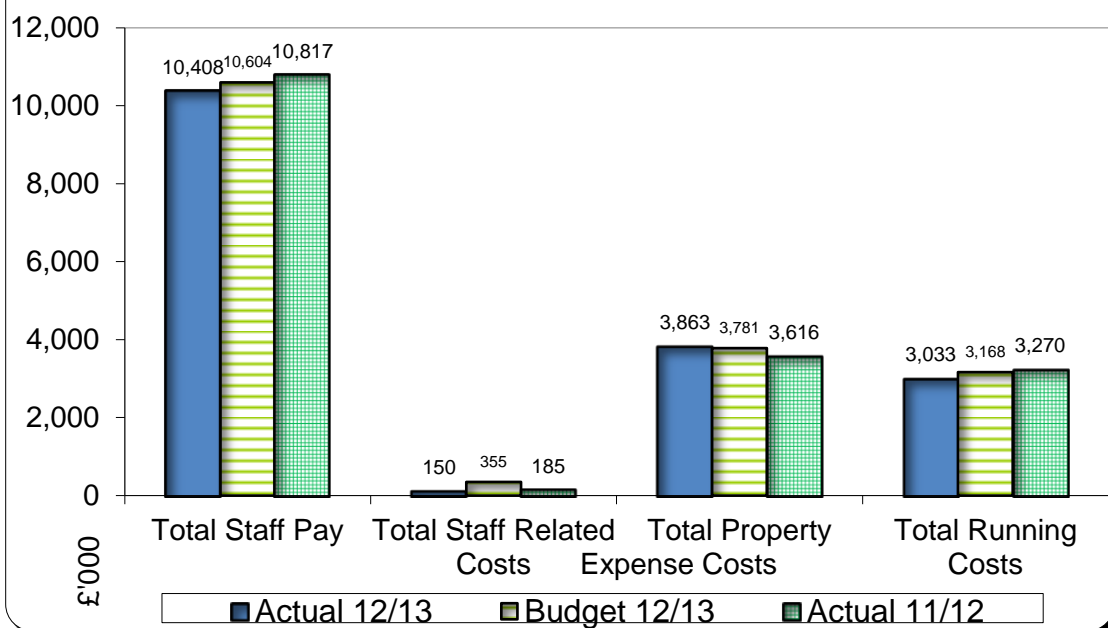
Trend of Cumulative Total Revenue Underspend

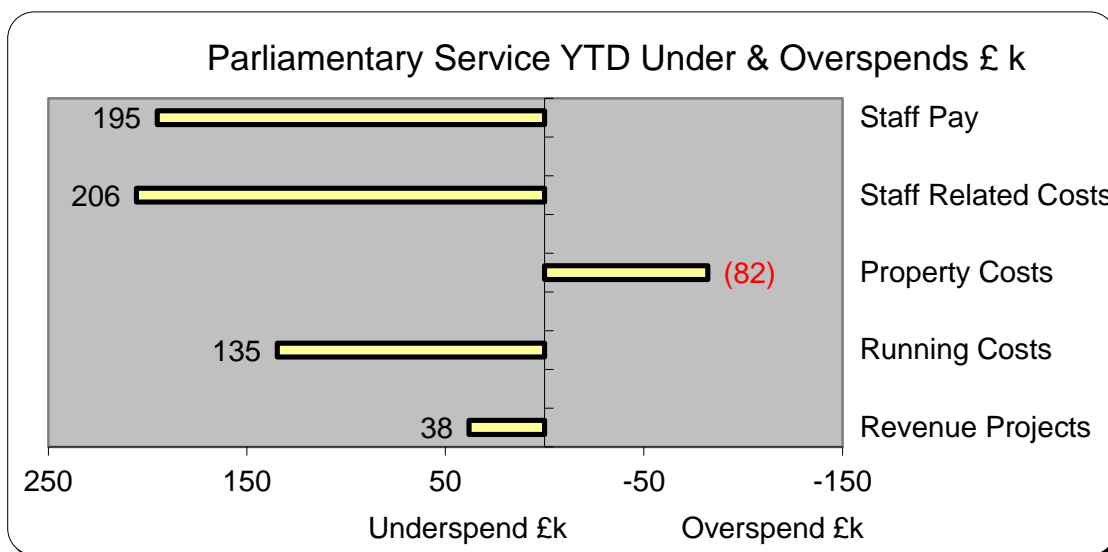


**Parliamentary Service Costs (Schedule 2)**

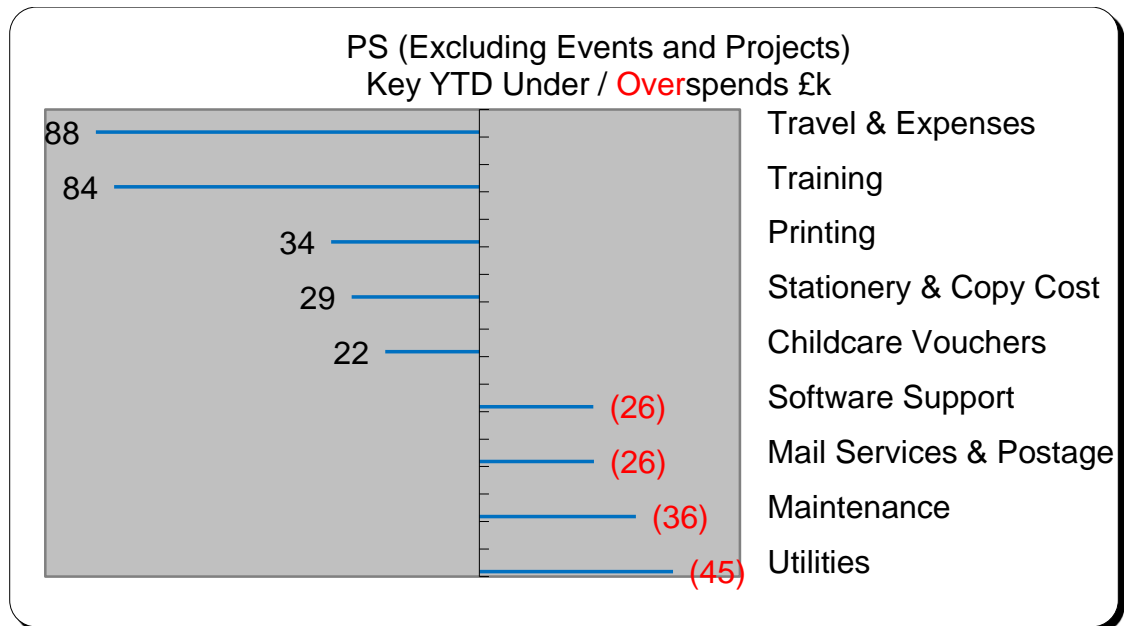
11. The cumulative gross revenue expenditure for the Parliamentary Service (SPS), at £17.8m, is £0.5m (2.7%) under budget. The previous year's expenditure of £18.3m at the equivalent stage was £0.6m (3.3%) below budget. Revenue projects are £38k under phased budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below. The September reforecasting exercise resulted in SPS offices returning £242k to contingency.

Parliamentary Services YTD Expenditure £k





- Staff pay and staff related costs, which represent over half of Parliamentary Service Costs, are currently showing as being £401k under budget and, within this figure, staff pay at £10.4m is being reported at £195k (1.8%) under budget. This staff pay underspend variance is principally attributable to the Committee Office (£85k) and Chamber & Reporting (£42k) staff pay.
- Staff related costs of £150k are £206k (57.9%) below budget. Training accounts for £84k of this variance; Travel & Expenses accounts for £88k and Childcare Vouchers £22k, following an HR exercise to reconcile balances.
- Property costs of £3.9m are currently £82k (2.2%) over the year to date budget – principally in utility and maintenance costs, which we expect to reverse in the coming periods.
- Running costs of £3.0m are £135k (4.3%) under budget. Main running cost underspends are against Printing (£34k) and Stationery & Copy Costs (£29k). The main reported overspends are against Mail Services & Postage (£26k) and Software Support (£26k).



### Project Reporting (Schedule 3):

12. Schedule 3 shows project spend by category of project.

- Revenue Projects show a total spend of £309k against a YTD budget of £347k. £464k of previously unallocated revenue project budget was transferred to the ESF capital project during Period 6 – resulting in a revised revenue projects annual budget of £906k.
- Following transfer of funding for the ESF, the capital expenditure programme for 2012-13 is now £3.93m and is all allocated against specific projects. Total expenditure for the year is £104k against the phased year to date budget of £161k, an underspend of £56k (4.2%), principally in respect of the Server Replacement Programme.
- Overall, only 8.5% of the the total annual project budget has been spent by the end of September 2012. Following approval of the External Security Facility by the SPCB on 6/9/12, £3.67m was allocated to this project phased over the six months October 2012 to March 2013 –with the bulk of the spend expected in the final quarter of the financial year.

### Members' Costs (Schedule 2)

13. Members' costs are analysed in Schedule 2, which shows £11.2m reported costs for the year to date, £432k (3.7%) below budget. (The corresponding underspend figures for 2011-12 were £0.6m, 4.0%). Of this underspend, £396k (6.7%) is on Members' Expenses. Party Assistance at £213k is £6k under budget.

## Commissioners & Ombudsman Costs (Schedule 2)

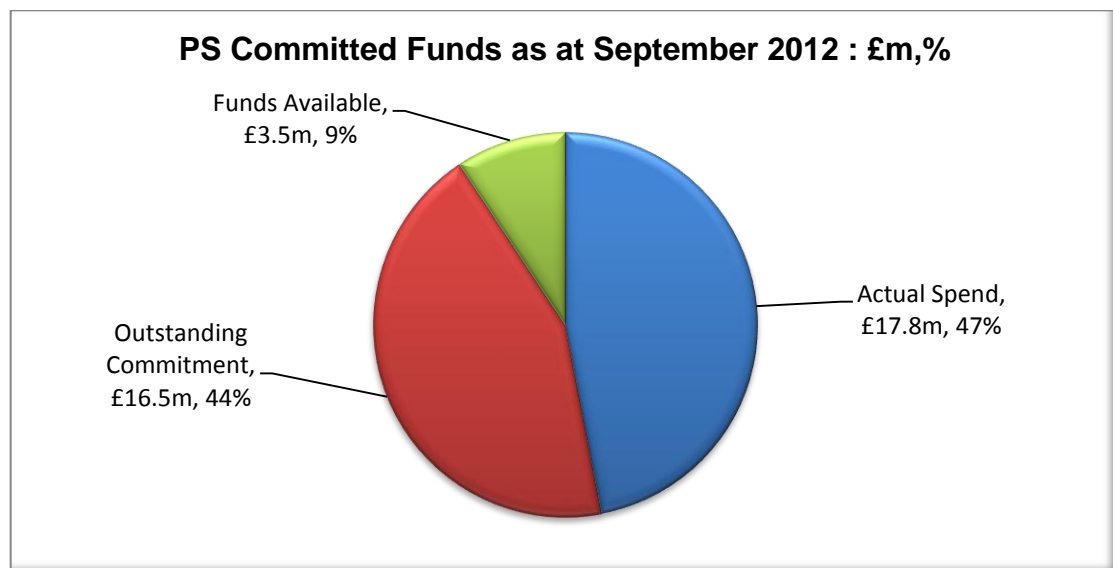
14. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) for the year to date amounts to £3.8m, which is £204k (5.1%) below the phased budget, principally in respect of the Ethical Standards Commission (£53k) and the Public Services Ombudsman (£69k).

## Central Contingency

15. The SPCB's central revenue contingency has reduced from £1.7m in period 5 to £Nil in period 6 following a transfer of funds to the ESF capital project.

## Commitment

16. The Parliamentary Service (PS) has committed 91% of its approved annual budget, including revenue projects, as at the end of September 2012.



Period 6 - September 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)	17,764	18,255	491	2.7	37,813	39,010
Members' Costs (Schedule 2)	11,227	11,659	432	3.7	24,033	24,033
Commissioners & Ombudsman Costs (Schedule 2)	3,785	3,989	204	5.1	8,230	8,230
<b>Sub Total</b>	<b>32,776</b>	<b>33,903</b>	<b>1,127</b>	<b>3.3</b>	<b>70,076</b>	<b>71,273</b>
Reserves - SPCB Contingency	0	0	0	n/a	0	1,250
Gross Revenue Expenditure	32,776	33,903	1,127	3.3	70,076	72,523
Less Income (PS)	(120)	(111)	9	(8.5)	(219)	(234)
Net Revenue Expenditure	32,656	33,792	1,136	3.4	69,857	72,289
Capital Expenditure	104	161	56	35.0	3,932	1,500
<b>TOTAL EXPENDITURE</b>	<b>32,760</b>	<b>33,952</b>	<b>1,193</b>	<b>3.5</b>	<b>73,789</b>	<b>73,789</b>

**Schedule 2**

	Actual £'000	Year-to-date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
<b><u>Parliamentary Service Costs</u></b>						
Staff Pay	10,408	10,604	195	1.8	21,428	21,935
Staff Related Costs	150	355	206	57.9	828	834
Property Costs	3,863	3,781	(82)	(2.2)	7,767	7,714
Running Costs	3,033	3,168	135	4.3	6,883	7,147
<b>Parliamentary Service Costs excluding Projects</b>	<b>17,455</b>	<b>17,908</b>	<b>453</b>	<b>2.5</b>	<b>36,907</b>	<b>37,630</b>
<b>Revenue Projects</b>	<b>309</b>	<b>347</b>	<b>38</b>	<b>11.0</b>	<b>906</b>	<b>1,380</b>
<b>Total PS Revenue Costs</b>	<b>17,764</b>	<b>18,255</b>	<b>491</b>	<b>2.7</b>	<b>37,813</b>	<b>39,010</b>
<b><u>Members' Costs</u></b>						
MSP & Officeholders' Pay	5,531	5,560	30	0.5	11,121	11,121
MSP Expenses	5,483	5,880	396	6.7	12,473	12,473
Party Assistance	213	219	6	2.6	439	439
Total	11,227	11,659	432	3.7	24,033	24,033
<b><u>Commissioners &amp; Ombudsman</u></b>						
Ethical Standards Commission	333	386	53	13.7	798	798
Standards Commission	90	113	23	20.7	233	233
Human Rights Commission	472	500	28	5.6	944	944
Scottish Information Commissioner	716	746	29	3.9	1,463	1,463
Public Services Ombudsman	1,539	1,608	69	4.3	3,292	3,292
Commissioner for Children	634	636	2	0.3	1,234	1,234
Reserves - C&O Contingency	0	0	0	n/a	266	266
Total	3,785	3,989	204	5.1	8,230	8,230



Period 6 - September 2012 Leadership Group Financial Schedules

Schedule 3

<b>Project Summary : Revenue / Capital Expenditure analysis September 2012</b>	<b>YTD Actual £k</b>	<b>YTD Budget £k</b>	<b>Variance £k</b>	<b>Variance %</b>	<b>Current Annual Budget £k</b>	<b>Original Approved Budget £k</b>	<b>% Spent of Total Budget</b>	<b>Outstanding Commitment £k</b>	<b>Funds Available £k</b>
Revenue Projects									
- allocated	309	347	38	11.0	906	856	34.1%	489	108
- unallocated	n/a	n/a	n/a	n/a	0	524	n/a	0	0
<b>Total Revenue Projects</b>	<b>309</b>	<b>347</b>	<b>38</b>	<b>11.0</b>	<b>906</b>	<b>1,380</b>	<b>34.1%</b>	<b>489</b>	<b>108</b>
Capital Projects									
- allocated	104	161	56	35.0	3,932	255	2.7%	2	3,827
- unallocated	n/a	n/a	n/a	n/a	0	1,245	n/a	0	0
<b>Total Capital Projects</b>	<b>104</b>	<b>161</b>	<b>56</b>	<b>35.0</b>	<b>3,932</b>	<b>1,500</b>	<b>2.7%</b>	<b>2</b>	<b>3,827</b>
<b>TOTAL</b>	<b>413</b>	<b>508</b>	<b>94</b>	<b>18.6</b>	<b>4,838</b>	<b>2,880</b>	<b>8.5%</b>	<b>490</b>	<b>3,935</b>

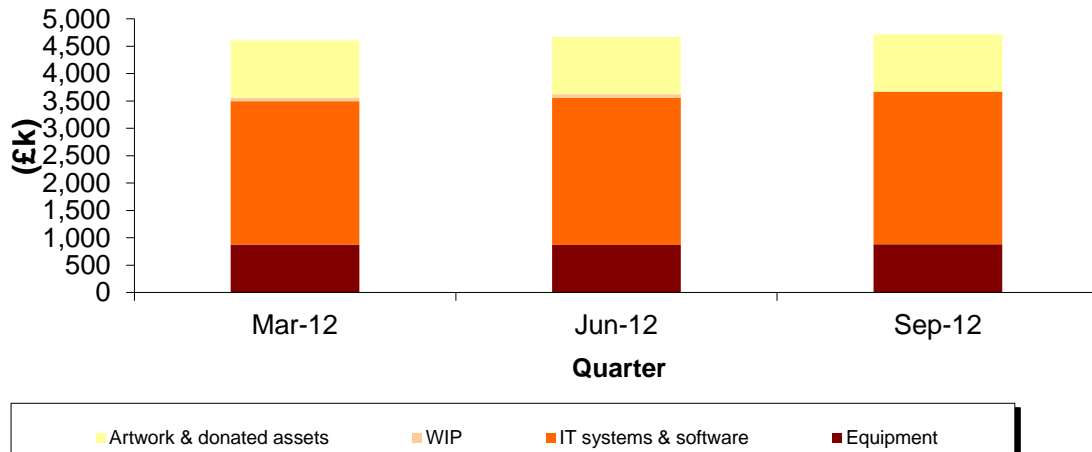
<b>Project Summary : Analysis by Portfolio August 2012</b>	<b>YTD Actual £k</b>	<b>YTD Budget £k</b>	<b>Variance £k</b>	<b>Variance %</b>	<b>Current Annual Budget £k</b>	<b>Original Approved Budget £k</b>	<b>% Spent of Total Budget</b>	<b>Outstanding Commitment £k</b>	<b>Funds Available £k</b>
IT	100	189	89	47.2	318	318	31.3%	38	181
FM Building & Equipment	191	215	24	11.4	659	659	28.9%	451	18
Engagement	41	44	3	6.2	44	54	93.8%	2	1
ESF Design	75	60	(15)	(25.8)	60	0	125.8%	0	(15)
ESF Construction	0	0	0	n/a	3,677	0	0.0%	0	3,677
Information Management	0	0	0	n/a	80	80	0.0%	0	80
<b>Other</b>	<b>6</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>(6)</b>
<b>Total Projects Allocated</b>	<b>413</b>	<b>508</b>	<b>94</b>	<b>18.6</b>	<b>4,838</b>	<b>1,111</b>	<b>8.5%</b>	<b>490</b>	<b>3,935</b>
Unallocated Project Budget	n/a	n/a	n/a	n/a	0	1,769	n/a	n/a	0
<b>TOTAL</b>	<b>413</b>	<b>508</b>	<b>94</b>	<b>18.6</b>	<b>4,838</b>	<b>2,880</b>	<b>8.5%</b>	<b>490</b>	<b>3,935</b>

Period 6 - September 2012 Leadership Group Financial Schedules

Schedule 4

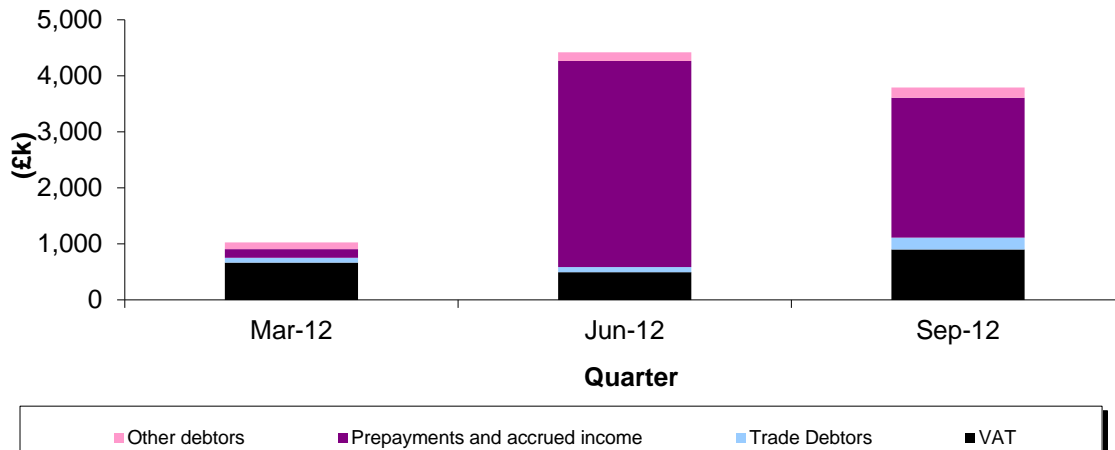
	Actual	Year-to-date		Annual Budget	Funds Available	Committed Outturn	Funds Available
		Outstanding Commitments	Committed Outturn				
	£'000	£'000	£'000	£'000	£'000	%	%
<b><u>Parliamentary Service Costs</u></b>							
Staff Pay	10,408	10,094	20,503	21,428	925	95.7	4.3
Staff Related Costs	150	101	251	828	577	30.3	69.7
Property Costs	3,863	3,592	7,456	7,767	312	96.0	4.0
Running Costs	3,033	2,254	5,288	6,883	1,596	76.8	23.2
<b>Parliamentary Service Costs excluding Projects</b>	<b>17,455</b>	<b>16,042</b>	<b>33,497</b>	<b>36,907</b>	<b>3,409</b>	90.8	9.2
<b>Revenue Projects (Schedule 3)</b>	309	489	798	906	108	88.0	12.0
<b>Total PS Revenue Costs</b>	<b>17,764</b>	<b>16,531</b>	<b>34,295</b>	<b>37,813</b>	<b>3,518</b>	<b>90.7</b>	<b>9.3</b>

## Fixed Assets (Excluding Land & Buildings)



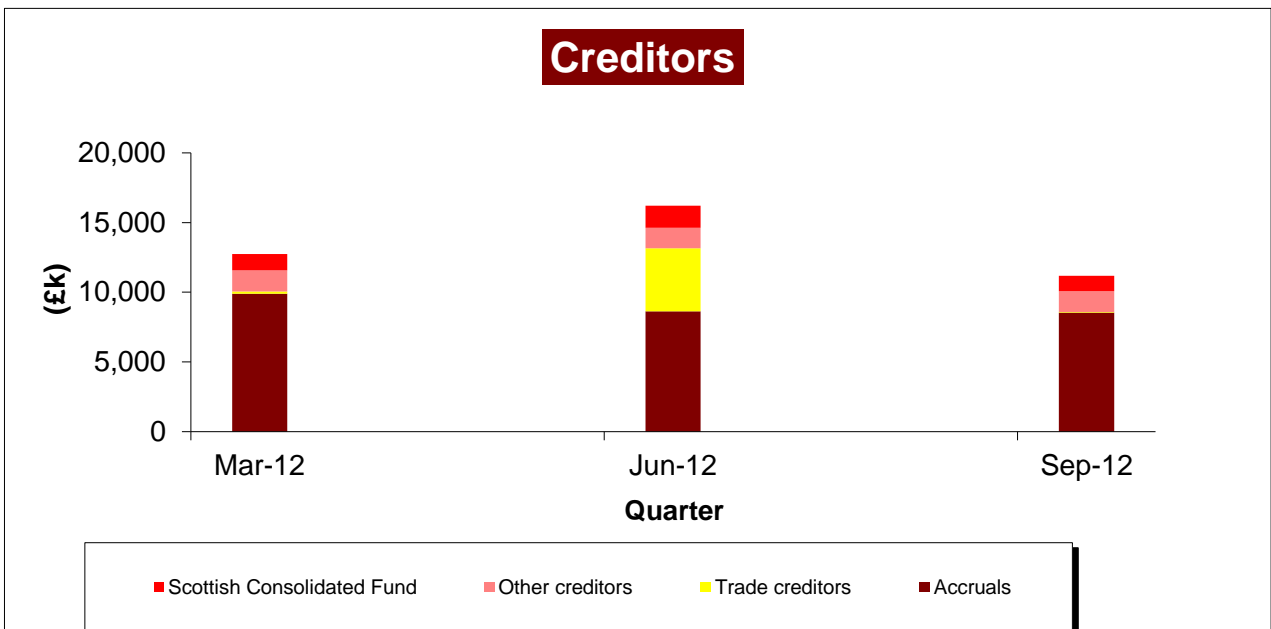
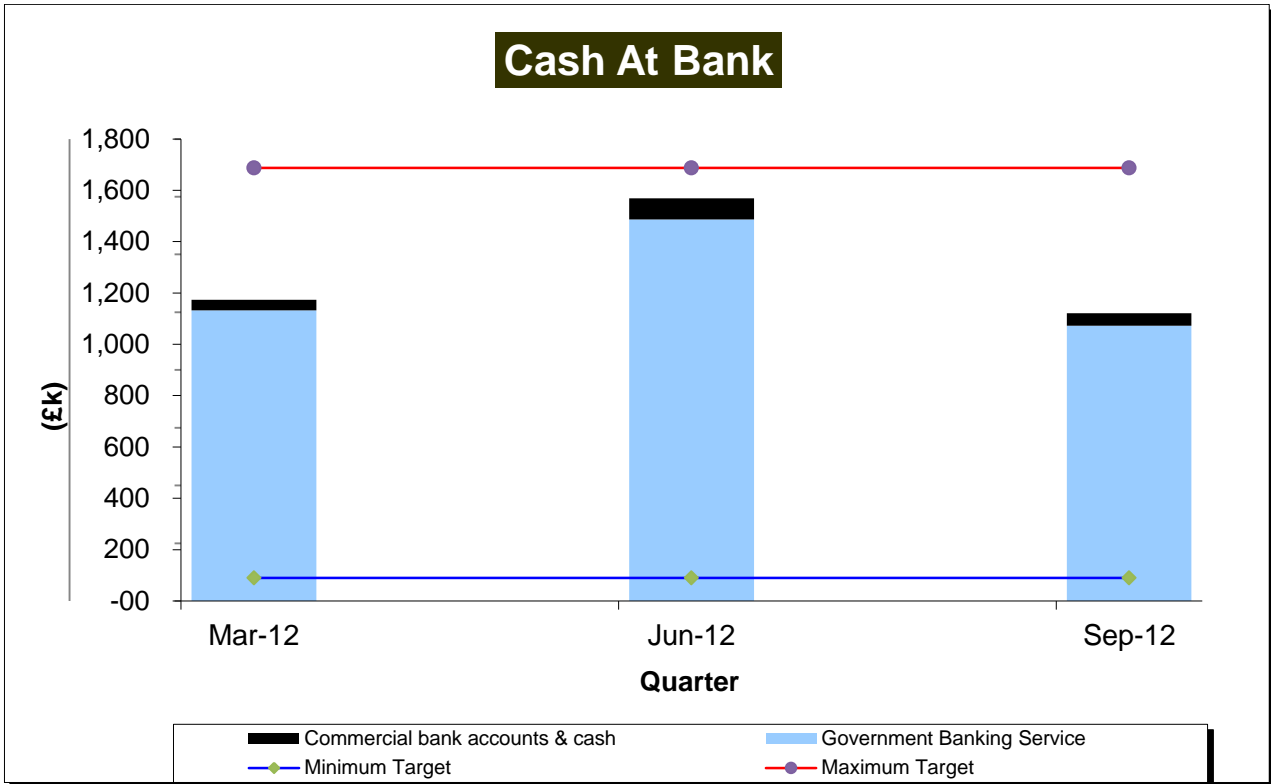
Land & Buildings professionally valued at £306.5m at 31 March 2010.

## Debtors



### Note

Prepayments are lower in March due to treatment of annual rates invoice.



**Note**  
 Trade creditors higher in June due to inclusion of rates invoice paid in September.