

SPCB FINANCE REPORT Period 9 – December 2014

1. This report is to inform SPCB of general financial activity and expenditure trends in 2014-15.

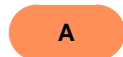
Executive Summary

Performance against Budget (year to date variance)		
a) Total SPCB revenue and capital expenditure	3.1%	Para 2 & 5
b) Total SPS expenditure	2.5%	Para 6
c) Total project expenditure	11.0%	Para 7
Operation of Financial Controls		
d) Key reconciliations up to date	100%	Para 3
Other Key Indicators		
e) Payment performance	99.5%	Para 3

Key: RAG Status



Performance within target range



Performance outwith target range but acceptable



Performance outwith target range not acceptable

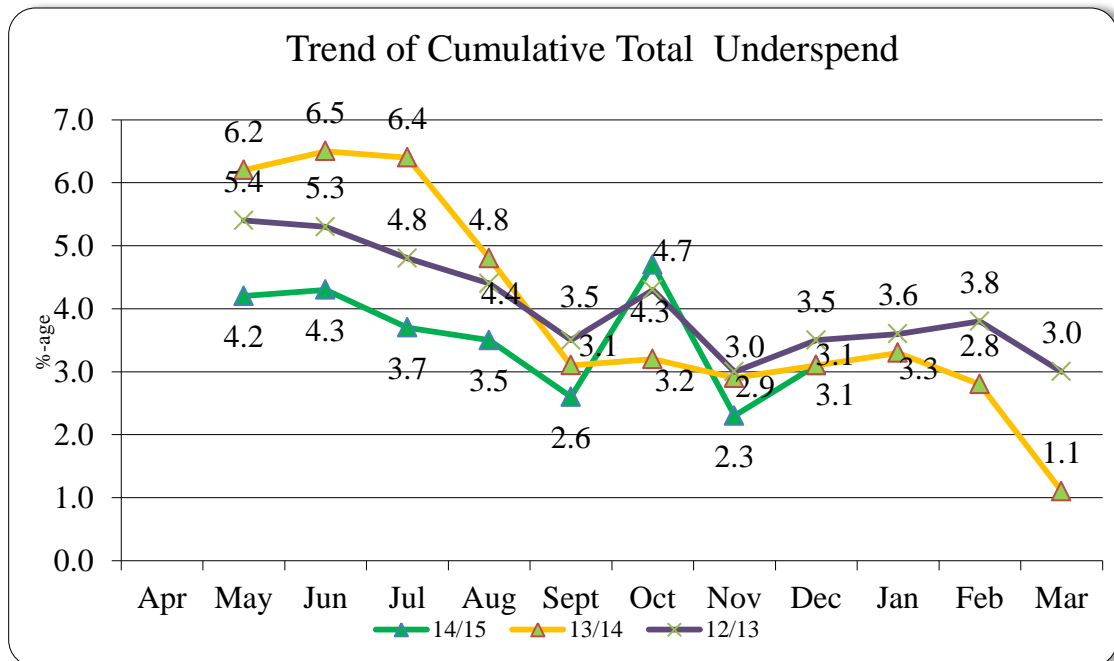
Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure for the first nine months of 2014-15 of £53.4m represents an under spend against budget of £1.7m (3.1%), which is above the SPCB's target range of 0% to 2.5% under budget at this stage of the financial year. The overall underspend is in line with the period 9 position for 2013-14 of £1.7m (3.1%).
3. All key reconciliations are up to date and payment performance within contract terms for the year to date exceeds the 99% target. The equivalent figure for payment within 10 days is 91.9% for the year to date. A pilot initiative to improve our 10 day payment performance, involving automatically generating alerts of potential delays in clearing invoices for payment, has now been rolled out to most offices during December, with the remaining offices to be included before the end of the financial year. This has resulted in a further improvement in the individual monthly figures, from 94.2% in November to 96.1% for December.
4. As previously reported, we have been using the Financial Forecasting Tool (FFT) to improve the visibility of financial information across the Parliament's various offices and the accuracy of their financial forecasting. This was

successfully used by all offices to underpin the November re-forecasting exercise. Due to the high level of engagement across offices using the FFT, we are now planning to undertake a further forecasting exercise in January using the same mechanism.

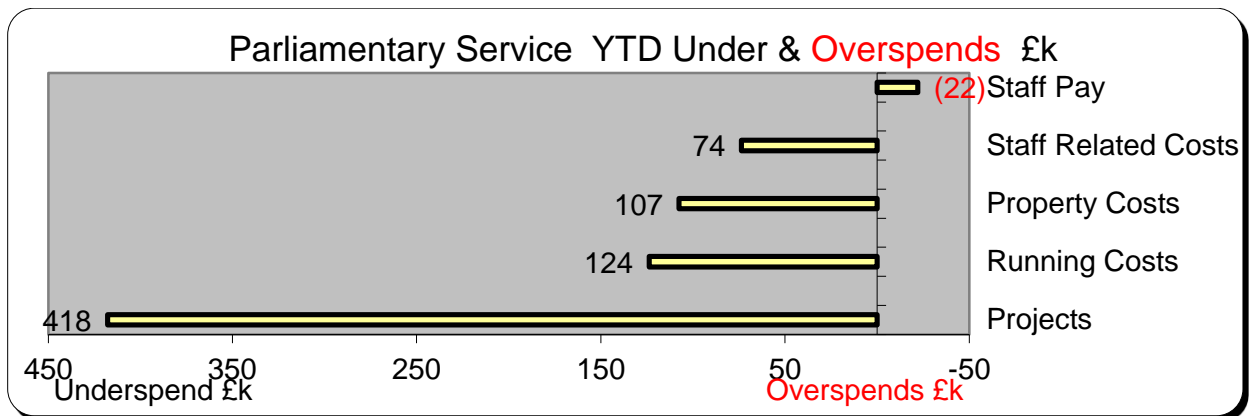
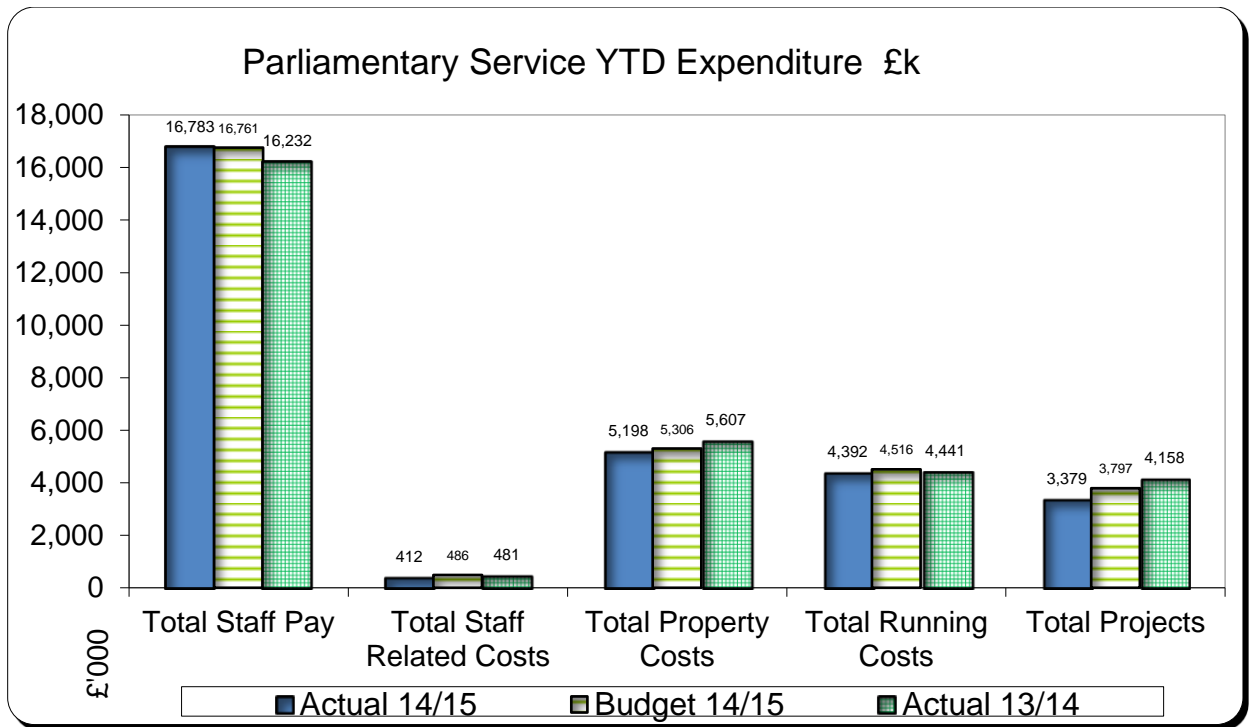
Financial Results

- The SPCB's total revenue and capital expenditure per Schedule 1 for the nine months ended December 2014 is £53.4m, which is £1.7m (3.1%) under the approved budget of £55.1m.



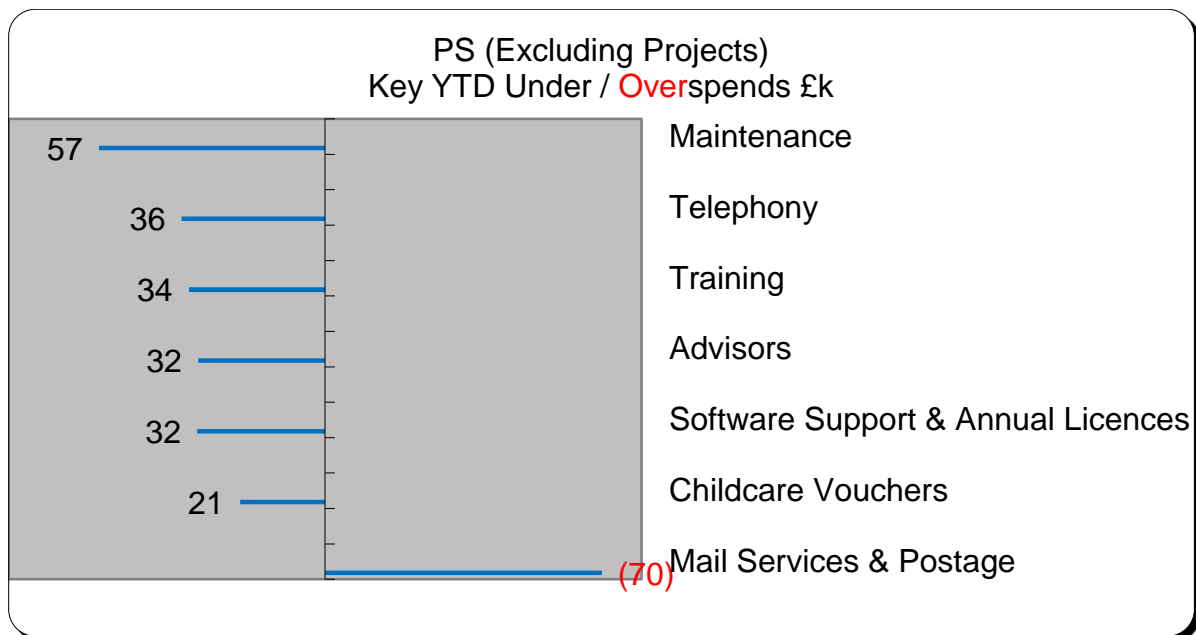
Parliamentary Service Costs (Schedule 2)

- The year to date expenditure, including project costs, for the Parliamentary Service (SPS), at £30.2m, is £0.7m (2.3%) under budget. The previous year's expenditure of £30.9m at period 9 was £0.8m (2.5%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.



- Staff Pay for the first nine months of the year is reported as £22k (0.1%) over budget. We used the Forecasting exercise in P8 to adjust staff cost budgets to bring them into line with actuals and forecasted expenditure to the year end.
- Staff Related Costs of £412k are reported as £74k (15.2%) below budget, with Training accounting for an underspend of £35k, Travel & Expenses £22k, and a £21k underspend against Childcare Vouchers. Total Staff Related Cost reported spend is £69k (14.3%) below the equivalent figure for 2013-14.
- Property Costs of £5.2m are £107k under the Year to Date budget. Within this, maintenance is showing a £57k underspend.

- Running Costs of £4.4m are £124k (2.7%) under the YTD budget. Main running cost underspends are Telephony (£36k), Advisors (£32k), and Software Support (£32k); with Mail Services & Postage showing an overspend of £70k.



Project Reporting (Schedule 3):

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

- Total Project expenditure of £3,379k is now reported as £418k (11.0%) under the Year to Date budget.
- Revenue Projects show a total spend of £2,078k against a budget of £2,493k, a reported underspend of £415k or 16.6%. The bulk of this underspend is in FM 25 year maintenance plan projects (£235k) and FM Infrastructure Improvements (£98k).
- The capital expenditure programme for 2014-15 shows expenditure of £1,300k for the year to date against a budget of £1,303k; a reported underspend of £3k or 0.2%.
- The Digital Parliament Programme has seen expenditure of £780k for the year to date against a £844k YTD budget.
- Only 53% of the 2014-15 project expenditure budget has been spent to date with a further 15% currently committed - so almost one third (£2.1m) of project budget has yet to be committed, including £380k of capital project budget and £198k of Innovation Fund budget not yet allocated to specific projects.

Members' Costs (Schedule 2)

8. Members' costs are analysed in Schedule 2, which shows £17.4m reported cost to December 2014, £1m (5.4%) below the phased year to date budget. (The corresponding underspend figure for 2013-14 at the end of period 9 was £0.9m, 4.9%). Of this underspend, £885k (9.3%) relates to Members' Expenses. Party Assistance, at £302k, is reported as £38k under the year to date budget.

Commissioners & Ombudsman Costs (Schedule 2)

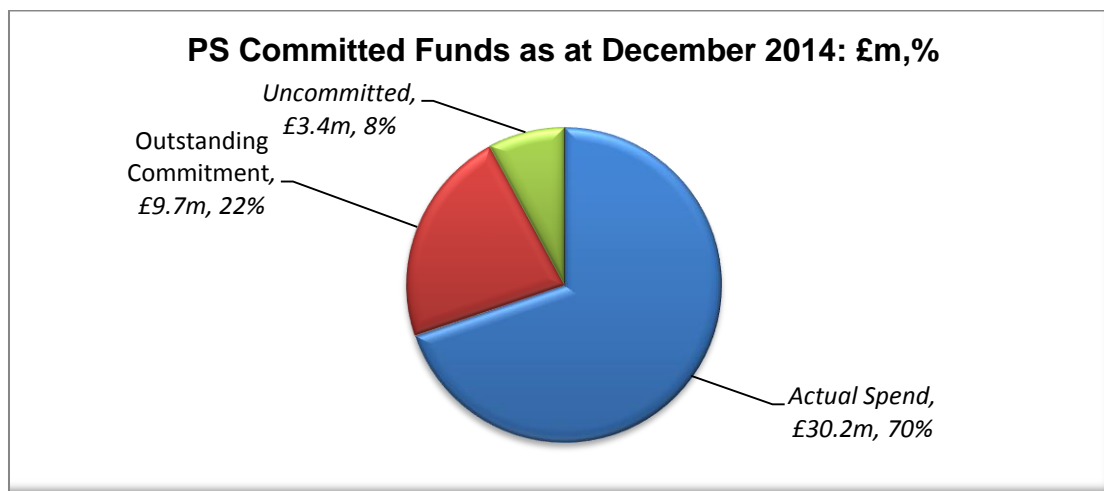
9. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the first nine months of 2014-15 amounts to £5.9m, which is £6k under the phased budget to December 2014.

Central Contingency

10. The SPCB's central revenue contingency has decreased from £522k in November 2014 to £500k in Period 9 as a result of transferring £22k to Event & Exhibitions for the Young Women's Conference. This will be further reduced to nil when we return £1.5m of budget to the Scottish Consolidated Fund via the 2015 Spring Budget Revision (comprising £1.0m from Revenue and £0.5m from Capital).

Commitment

11. Actual expenditure plus commitment sits at £39.9m or 92% of the total PS budget as at the end of December 2014. £2.1m or 61% of the £3.4m uncommitted budget relates to revenue and capital projects. 3% (£0.1m) of the remaining uncommitted funds relates to staff costs, 10% (£0.3m) to staff related costs, 4% (£0.1m) to Property Costs and 22% (£0.8m) relates to running costs – the largest being Telephony (£112k), Printing (£89k) and Advertising (£89k).



Schedule 1

	Actual £'000	Year to Date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
Parliamentary Service Costs (Schedule 2)	30,164	30,865	701	2.3	43,233	42,733
Members' Costs (Schedule 2)	17,382	18,382	1,000	5.4	24,918	24,918
Commissioners & Ombudsman Costs (Schedule 2)	5,853	5,859	6	0.1	8,160	8,160
Sub Total	53,399	55,106	1,707	3.1	76,311	75,811
Reserves - SPCB Contingency	0	0	0	n/a	500	1,000
TOTAL SPCB EXPENDITURE	53,399	55,106	1,707	3.1	76,811	76,811
Electoral Commission	0	0	0	0.0	2,060	2,060
TOTAL EXPENDITURE	53,399	55,106	1,707	3.1	78,871	78,871

Schedule 2

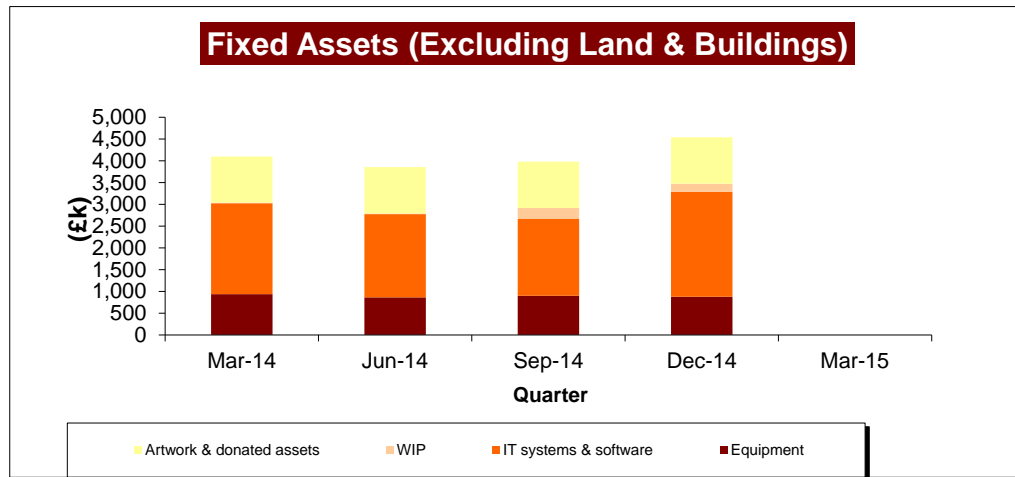
	Actual £'000	Year-to-date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
<u>Parliamentary Service Costs</u>						
Staff Pay	16,783	16,761	(22)	(0.1)	22,490	22,315
Staff Related Costs	412	486	74	15.2	819	794
Property Costs	5,198	5,306	107	2.0	7,208	8,408
Running Costs (Including Events & Income)	4,392	4,516	124	2.7	6,313	6,716
Parliamentary Service Costs excluding Projects	26,785	27,068	283	1.0	36,830	38,233
Projects (Schedule 3)	3,379	3,797	418	11.0	6,403	4,500
Total PS Expenditure	30,164	30,865	701	2.3	43,233	42,733
<u>Members' Costs</u>						
MSP & Officeholders' Pay	8,442	8,520	78	0.9	11,363	11,363
MSP Expenses	8,638	9,523	885	9.3	13,088	13,093
Party Assistance	302	340	38	11.1	467	462
Total	17,382	18,382	1,000	5.4	24,918	24,918
<u>Commissioners & Ombudsman</u>						
Ethical Standards Commission	536	540	4	0.8	785	785
Standards Commission	148	172	24	14.0	226	226
Human Rights Commission	721	705	(16)	(2.2)	933	933
Scottish Information Commissioner	1,043	1,082	39	3.6	1,446	1,446
Public Services Ombudsman	2,474	2,430	(45)	(1.8)	3,241	3,241
Commissioner for Children	930	929	(1)	(0.1)	1,235	1,235
Reserves - C&O Contingency	0	0	0	n/a	294	294
Total	5,853	5,859	6	0.1	8,160	8,160

Period 9
December 2014 Leadership Group Financial Schedules

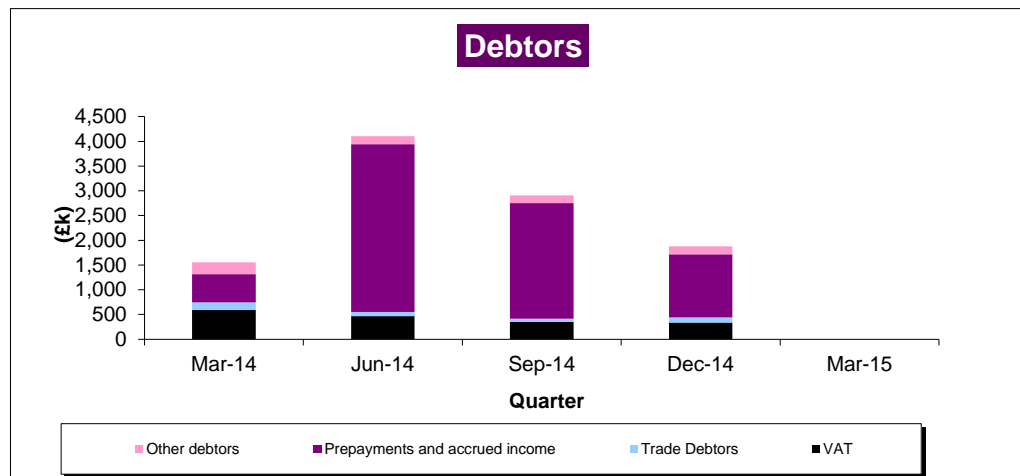
Schedule 3

Project Summary : December 2014	YTD Actual £k	YTD Budget £k	Variance £k	Variance %	Current Annual Budget £k	Original Approved Budget £k	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
Revenue Projects									
Allocated	2,078	2,493	415	16.6	4,303	2,250	48.3%	892	1,333
Unallocated	n/a	n/a	n/a	n/a	0	150	n/a	n/a	0
Total Revenue Projects	2,078	2,493	415	16.6	4,303	2,400	48.3%	892	1,333
Capital Projects									
Allocated	1,300	1,303	3	0.2	1,720	1,415	75.6%	81	339
Unallocated	n/a	n/a	n/a	n/a	380	685	n/a	n/a	380
Total Capital Projects	1,300	1,303	3	0.2	2,100	2,100	61.9%	81	719
TOTAL	3,379	3,797	418	11.0	6,403	4,500	52.8%	972	2,051

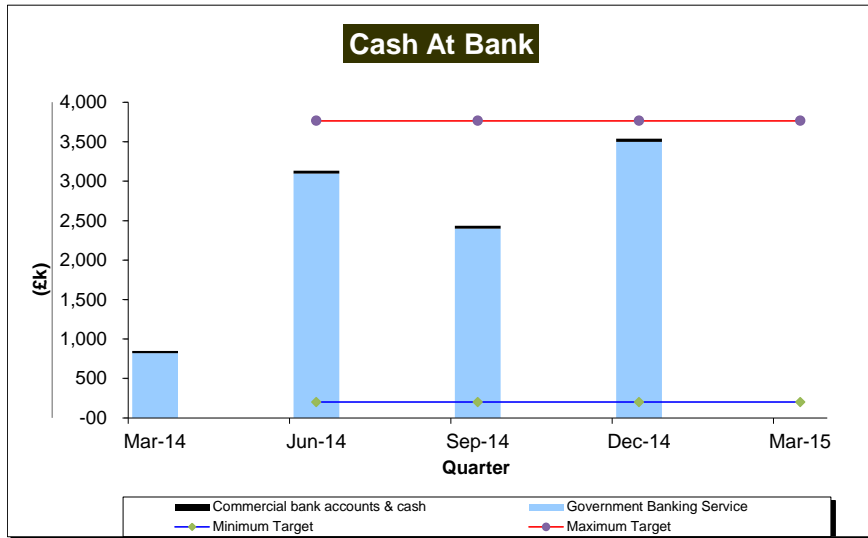
By Portfolio:	YTD Actual £k	YTD Budget £k	Variance £k	Variance %	Current Annual Budget £k	Original Approved Budget £k	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
FM Building & Equipment	1,144	1,515	371	24.5	2,635	1,250	43.4%	614	877
IT Capital & Broadcasting Equipment	1,232	1,222	(9)	(0.8)	1,579	1,315	78.0%	74	273
Digital Parliament	780	844	64	7.6	1,308	1,100	59.6%	234	294
Innovation Fund	23	24	1	3.6	250	0	9.1%	6	222
Information Systems / Other	201	192	(9)	(4.5)	251	0	80.2%	45	5
Total Projects Allocated	3,379	3,797	418	11.0	6,023	3,665	56.1%	972	1,671
Unallocated Project Budget	n/a	n/a	n/a	n/a	380	835	n/a	n/a	380
TOTAL	3,379	3,797	418	11.0	6,403	4,500	52.8%	972	2,051



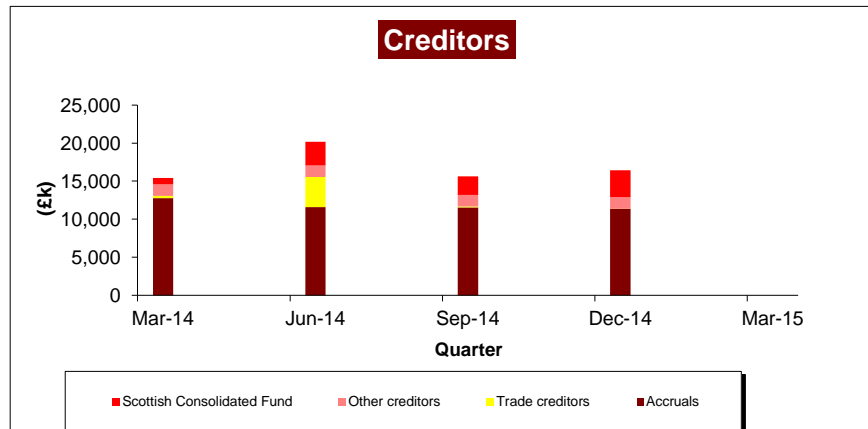
Land & Buildings professionally valued at £306.5m at 31 March 2010.
No change in artwork. WIP to be allocated to IT Systems and Software, and Equipment.
IT Systems and Software, and Equipment, include depreciation.



Note
Movement in prepayments is due to accounting treatment of rates



Note
Bank balances kept within target.



Note
Scottish Consolidated Fund creditor equal to bank balance

Schedule 6 Income from Catering Operation and from Parliament Shop

Analysis of Catering Costs and Subsidy

2014-15 YTD (9 months to December 2014)	Garden Level	Coffee Bar	Members'	Members' Bar	QBH	Parliament	Members'	Internal	Internal	YTD	YTD	YTD	Current	Original	
	Restaurant		Restaurant		Lounge	Café	Room	Hospitality	Meetings	Actual	Budget	Variance	Annual	Approved	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Income	250	62	16	4	39	137	6	226	42	46	829	835	(6)	1071	1071
Less:- Direct Outlet Costs	(344)	(46)	(46)	(3)	(61)	(114)	(3)	(124)	(40)	(45)	(827)	(831)	4	(1,099)	(1,099)
Net Contribution to Trading Profit/(Deficit) after direct outlet costs	(94)	16	(31)	1	(21)	23	3	102	2	1	1	4	(3)	(28)	(28)
Less:- Indirect Costs Generic Labour ¹ & Other Overheads ²											(387)	(393)	7	(492)	(472)
Net subsidy											(385)	(389)	4	(520)	(500)

Notes:

Note ¹ - Generic Labour includes: All management roles and some support roles

Note ² - Other Overheads includes: Non capital equipment purchases and maintenance; all administrative costs (inc. Management Fee) and all sundry costs.

All figures are exclusive of VAT

Shop Trading Account

2014-15 YTD (9 months to December 2014)	YTD Actual	YTD Budget	YTD Variance	Current Annual Budget	Original Approved Budget
	£'000	£'000	£'000	£'000	£'000
Sales (net of discount)	233	232	1	272	230
Cost of Sales (1)	149	156	(7)	178	124
Net Contribution	84	76	8	94	106
Direct Salaries	70	70	1	89	80
Other Direct Costs (2)	6	1	4	1	1
Total Direct Costs	76	71	5	90	81
Net Contribution/(Subsidy) after direct costs	8	6	2	4	25

Notes

(1) Cost of sales is the cost to the Parliament of items for sale in the shop

(2) Other direct costs are expenditure incurred directly in the operation of the shop such as stationery and credit card and cash uplift charges.

As a result of the Visitor Services Office review, reduced staffing levels in the shop have been implemented during 2012-13 to reduce staffing costs.

This statement does not include general overhead costs, e.g. for a proportion of business rates, utility costs and other operational and support costs.