

SPCB FINANCE REPORT Period 3 – June 2015

1. This report is to inform SPCB of general financial activity and expenditure trends in 2015-16.

Executive Summary

Performance against Budget (year to date variance)		
a) Total SPCB revenue and capital expenditure	5.1%	Para 2 & 7
b) Total SPS expenditure	5.7%	Para 8
c) Total project expenditure	43.0%	Para 9
Operation of Financial Controls		
d) Key reconciliations up to date	100%	Para 5
Other Key Indicators		
e) Payment performance	99.6%	Para 6

Key: RAG Status



Performance within target range



Performance outwith target range but acceptable



Performance outwith target range not acceptable

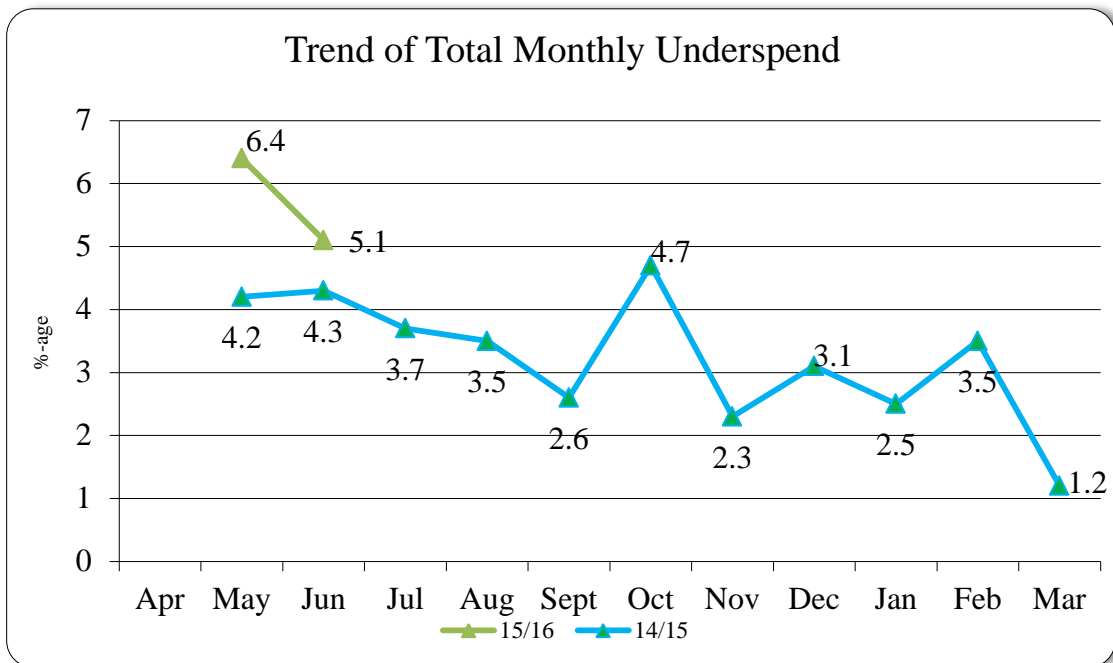
Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure for the first three months of 2015-16 of £17.4m represents an under spend against budget of £0.9m (5.1%), which is outside the SPCB's target range of 0% to 5% under budget at this stage of the financial year. The overall underspend is higher than the comparable position for 2014-15 of £0.8m (4.3%).
3. We have incorporated, as a result of an early re-forecasting exercise, a reallocation of some of the Group and Office's approved 2015-16 budgets as well as a transfer from central contingency. A further revision as result of this exercise, when we have validated some further movements, will also be made in Period 4 to Group and Office budgets. The next re-forecasting exercise will be in September and reflected in the Period 6 figures.
4. Audit Scotland have now completed their audit fieldwork and the SPCB's Annual Report and Accounts and Audit Scotland's final audit report will be considered at the AAB meeting on 14 August with clearance of the accounts at the SPCB meeting on 9 September. No significant issues have arisen and an unqualified audit certificate is envisaged.
5. All key reconciliations for the current year are up to date.

6. Payment performance within contract terms for the year to date exceeds the 99% target and the equivalent figure for payment within 10 days is 96.9% for the year to date.

Financial Results

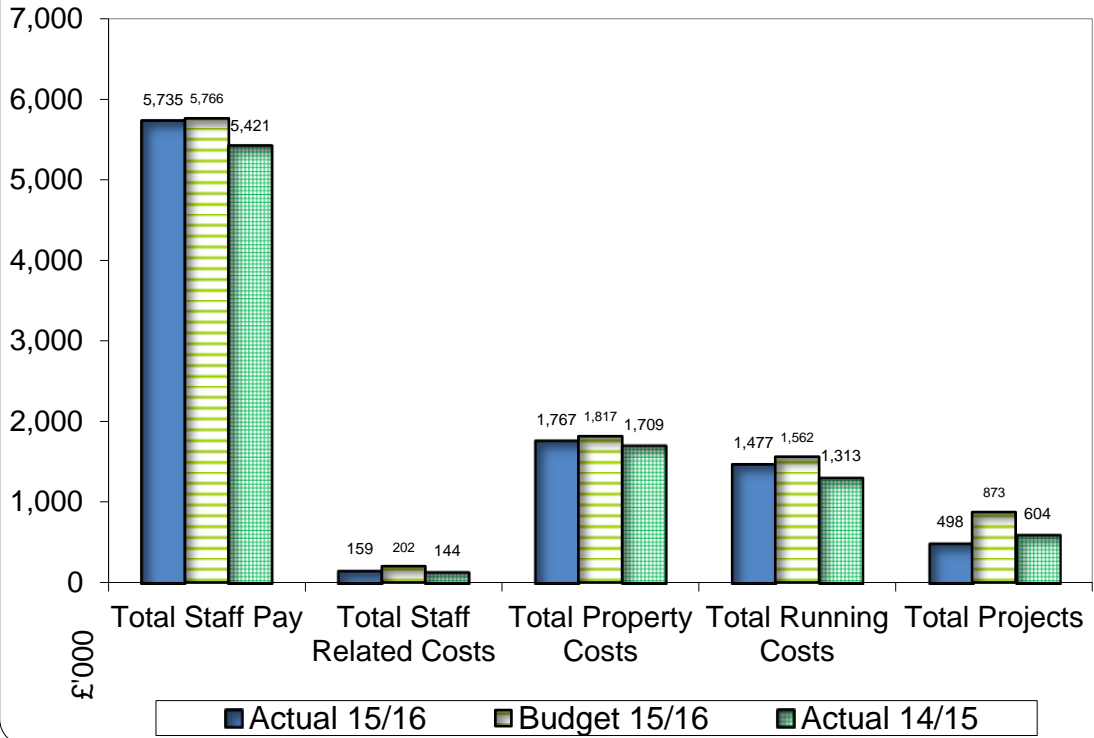
7. The SPCB's total revenue and capital expenditure per Schedule 1 for the three months ended June 2015 is £17.4m, which is £0.9m (5.1%) under the approved budget of £18.3m.



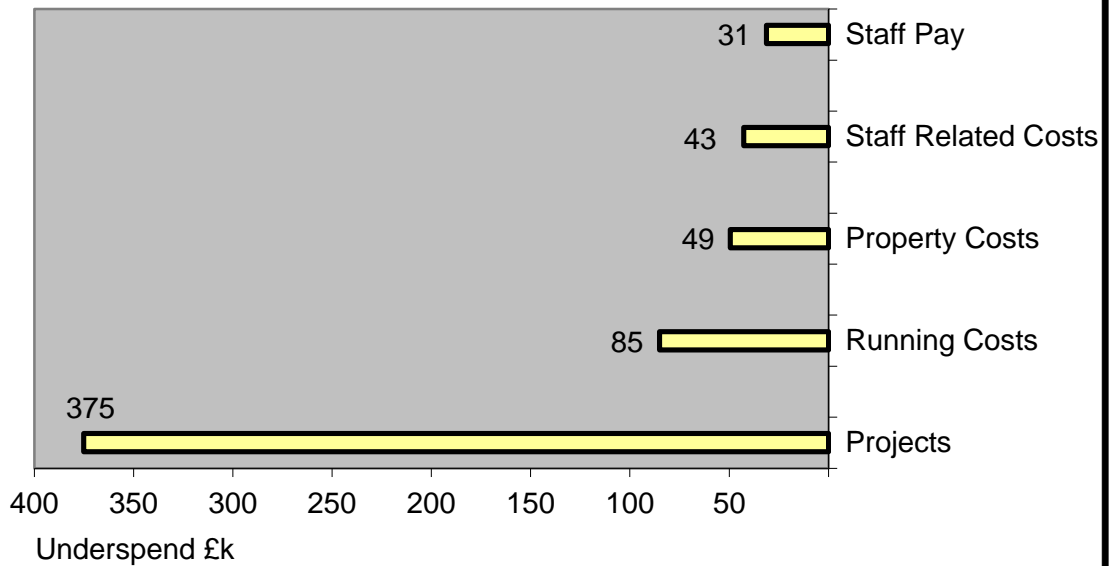
Parliamentary Service Costs (Schedule 2)

8. The year to date expenditure for the Parliamentary Service (SPS), at £9.6m, is £0.6m (5.7%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £9.2m at period 3 was £0.6m (6.3%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.

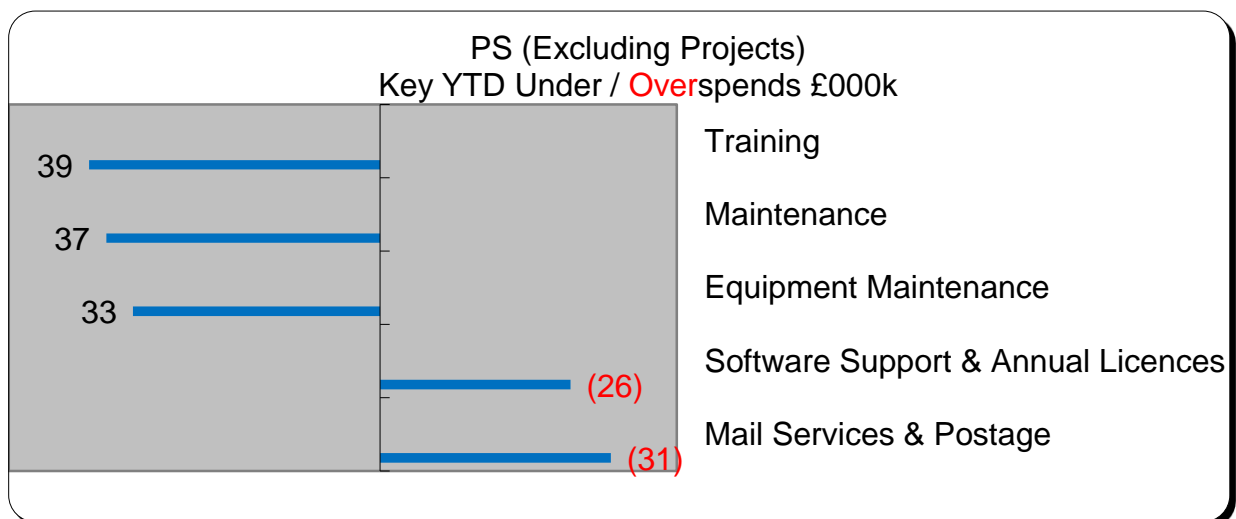
Parliamentary Service YTD Expenditure £k



Parliamentary Service YTD Under & Overspends £k



- Staff Pay is reported as £31k (0.5%) under budget including Agency staff and contractors.
- Expenditure on staff pay to date is £5.7m, £314k / 5.8% higher than 14-15 costs of £5.4m.
- Staff Related Costs of £159k are reported as £43k (21.2%) below budget, comprising of a Corporate and Job Related Training underspend of £39k. Total Staff Related Costs actual spend to date is £15k higher than for the equivalent period in 2014-15.
- Property Costs of £1.77m are £49k (2.7%) under the Year to Date budget. The majority of this is in maintenance - £37k.
- Running Costs of £1.5m are £85k (5.4%) under budget. Main running cost underspends are Equipment Maintenance (£33k), Telephony (£18k) and General consumables (£19k).
- Project expenditure in the first three months is currently £375k (43.0%) below the phased year to date budget of £873k.

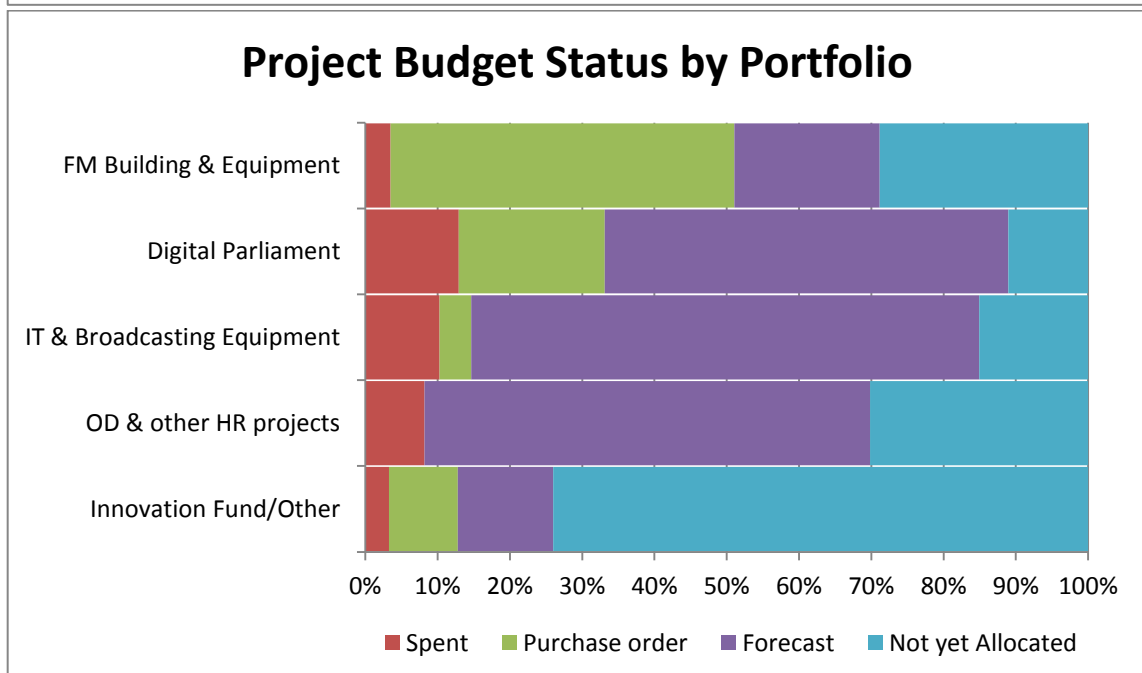
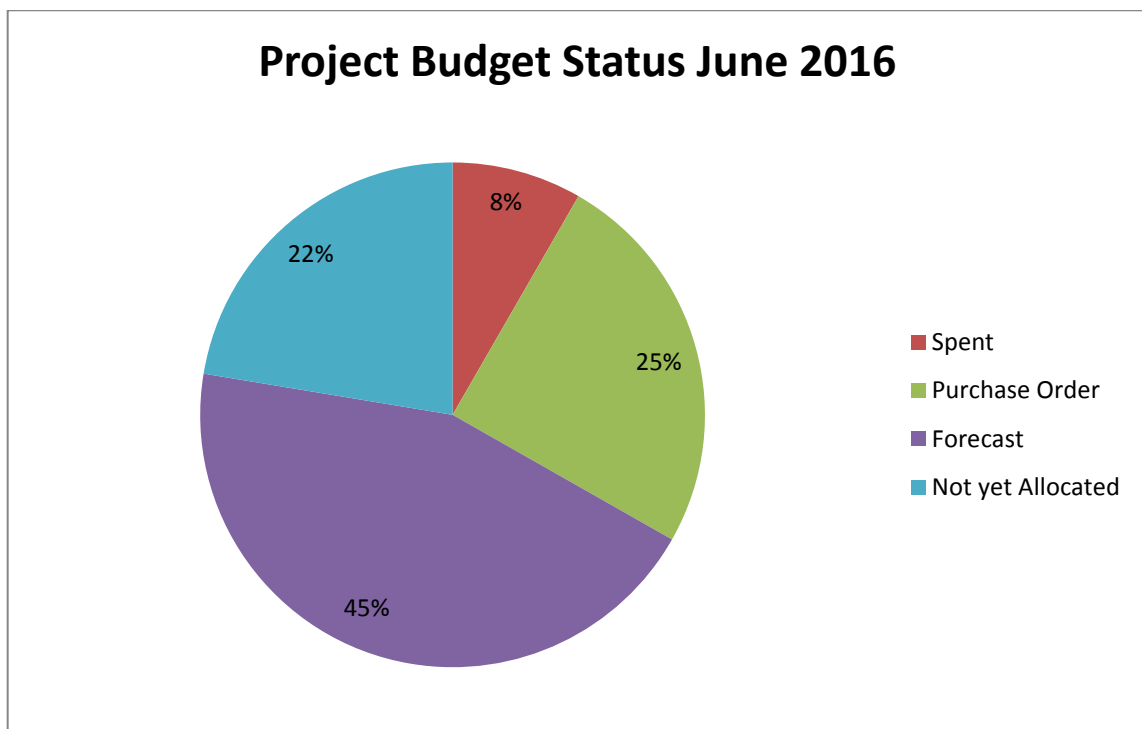


Project Reporting (Schedule 3):

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

- Total project expenditure is £498k, £375k (43.0%) below the Year to Date budget of £873k.
- Revenue Projects show a total spend of £458k against a budget of £810k, a reported underspend of £352k (43.4%).
- The June 2015 forecasting exercise increased the revenue project budget by £74k. This included £49k for redesign of the Service Yard and an additional £90k for the Organisational Development project.

- The capital projects programme for 2015-16 has seen expenditure of £40k for the year to date against a budget of £63k, an underspend of £23k / 36%.
- The Digital Parliament Programme has seen initial expenditure of £263k for the year to date against a £323k budget, an underspend variance of £60k or 18.5%
- The charts below provide an overview of the full year project budget by 'certainty' of expenditure.



Members' Costs (Schedule 2)

10. Members' costs are analysed in Schedule 2, which shows £5.8m reported cost to June 2015, £365k (5.9%) below the phased year to date budget. (The corresponding underspend figures for 2014-15 at the end of period 3 were £184k, 3.0%). Of this underspend, £344k (10.6%) is on Members' Expenses. Party Assistance, at £82k, is reported as £25k under the year to date budget.

Commissioners & Ombudsman Costs (Schedule 2)

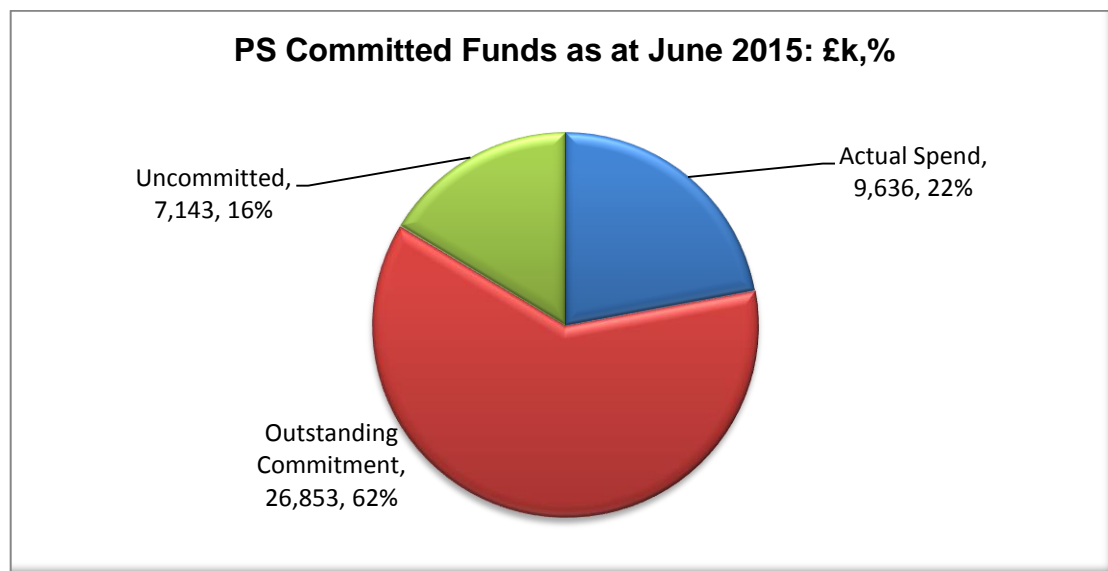
11. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the first three months of 2015-16 amounts to £1.9m, which is £6k (0.3%) over the phased budget to June 2015.

Central Contingency

12. The SPCB's original central revenue contingency of £500k has been decreased by £170k as a result of the June forecasting exercise. This was a net transfer of £96k into PS offices (mostly to cover contractor costs in BIT) and a £74k transfer to revenue projects – to cover projects including Organisational Development.

Commitment

13. The actual expenditure plus commitment sits at £36.5m or 84% of the total PS budget of £43.6m as at the end of June 2015. Just under 50% (£3.5m) of the uncommitted budget relates to revenue and capital projects.



Period 3
June 2015 Leadership Group Financial Schedules

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)	9,636	10,220	584	5.7	43,632	42,962
Members' Costs (Schedule 2)	5,834	6,199	365	5.9	25,310	25,310
Commissioners & Ombudsman Costs (Schedule 2)	1,909	1,893	(6)	(0.3)	8,294	8,294
Sub Total	17,379	18,313	942	5.1	77,236	76,566
Reserves - SPCB Contingency				n/a	330	1,000
TOTAL SPCB EXPENDITURE	17,379	18,313	934	5.1	77,566	77,566

Schedule 2

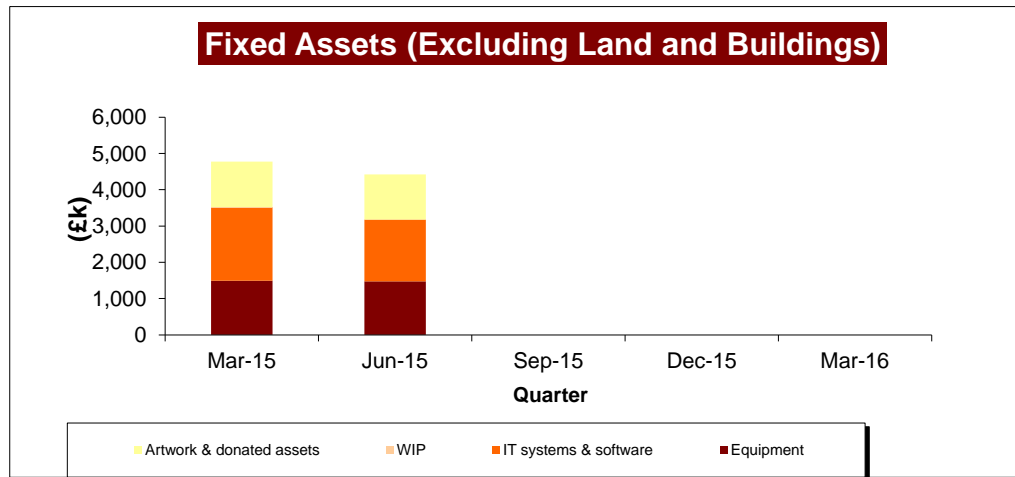
	Actual £'000	Year-to-date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
<u>Parliamentary Service Costs</u>						
Staff Pay	5,735	5,766	31	0.5	23,053	22,973
Staff Related Costs	159	202	43	21.2	865	864
Property Costs	1,767	1,817	49	2.7	7,483	7,483
Running Costs (Including Events & Income)	1,477	1,562	85	5.4	6,696	6,542
Parliamentary Service Costs excluding Projects	9,138	9,347	209	2.2	38,097	37,862
Projects (Schedule 3)	498	873	375	43.0	5,536	5,100
Total PS Expenditure	9,636	10,220	584	5.7	43,632	42,962
<u>Members' Costs</u>						
MSP & Officeholders' Pay	2,857	2,853	(4)	(0.1)	11,440	11,440
MSP Expenses	2,895	3,239	344	10.6	13,389	13,389
Party Assistance	82	108	25	23.7	481	481
Total	5,834	6,199	365	5.9	25,310	25,310
<u>Commissioners & Ombudsman</u>						
Ethical Standards Commission	126	153	27	17.8	811	811
Standards Commission	59	63	4	5.9	232	232
Human Rights Commission	272	265	(8)	(2.8)	952	952
Scottish Information Commissioner	385	384	(2)	(0.4)	1,464	1,464
Public Services Ombudsman	848	810	(38)	(4.7)	3,242	3,242
Commissioner for Children	218	219	10	4.4	1,287	1,287
Reserves - C&O Contingency	0	0	0	n/a	306	306
Total	1,909	1,893	(6)	(0.3)	8,294	8,294

Period 3
June 2015 Leadership Group Financial Schedules

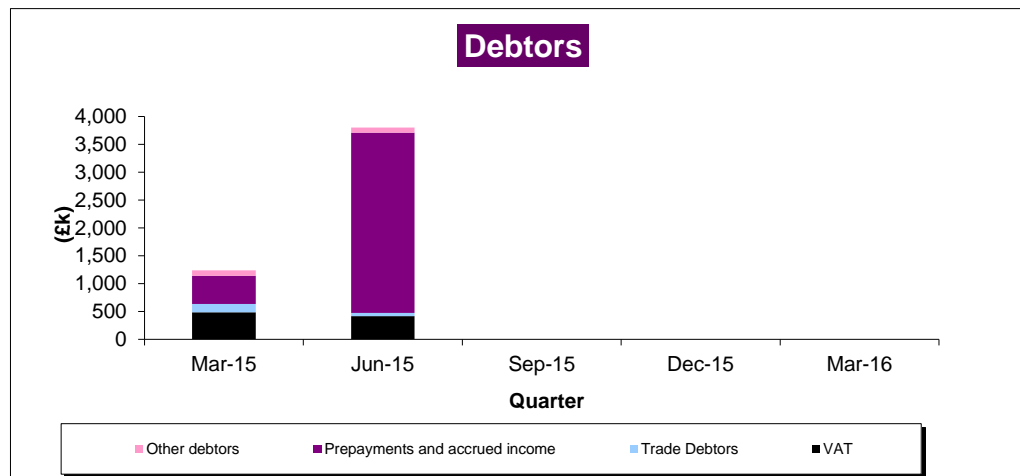
Schedule 3

Project Summary : June 2015	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	458	810	352	43.4	4,336	3,720	10.6%	1,298	2,579
Unallocated	0	0	0	n/a	0	180	n/a	0	0
Total Revenue Projects	458	810	352	43.4	4,336	3,900	10.6%	1,298	2,579
Capital Projects									
Allocated	40	63	0	0	1,118	1,200	3.6%	192	886
Unallocated	0	0	0	n/a	82	0	n/a	0	82
Total Capital Projects	40	63	23	35.9	1,200	1,200	3.4%	192	968
TOTAL	498	873	375	43.0	5,536	5,100	9.0%	1,490	3,547

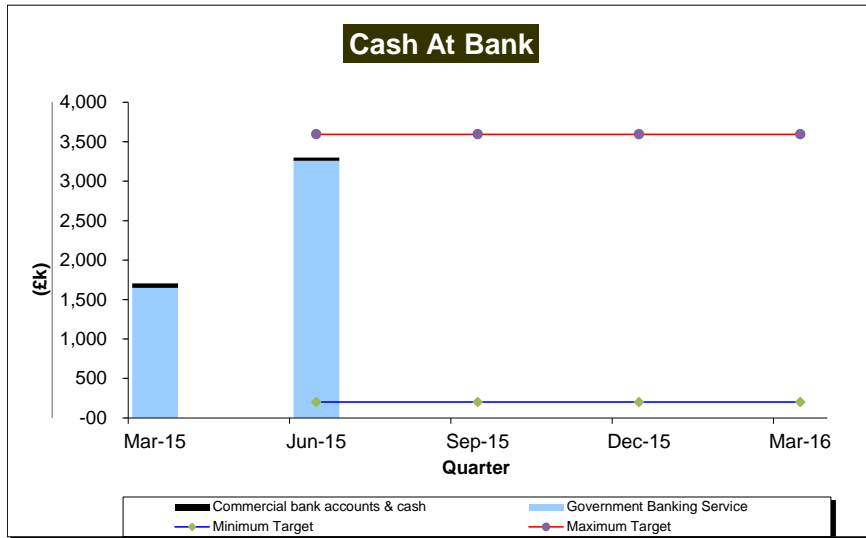
By Portfolio:	YTD Actual £k	YTD Budget £k	Variance £k	Variance %	Current Annual Budget £k	Original Approved Budget £k	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
FM Building & Equipment	73	335	262	78.2	2,096	1,990	3.5%	996	1,026
IT Capital & Broadcasting Equipment	124	152	27	18.1	1,209	1,264	10.3%	53	1,032
Digital Parliament	263	323	60	18.5	1,588	1,666	16.6%	412	913
Innovation Fund	1	5	4	0	180	180	0.7%	2	177
Information Systems / Other	36	59	23	38.6	381	0	9.5%	28	317
Total Projects Allocated	498	873	375	43.0	5,453	5,100	9.1%	1,490	3,465
Unallocated Project Budget	0	0	0	n/a	82	0	0.0%	0	82
TOTAL	498	873	375	43.0	5,536	5,100	9.0%	1,490	3,547



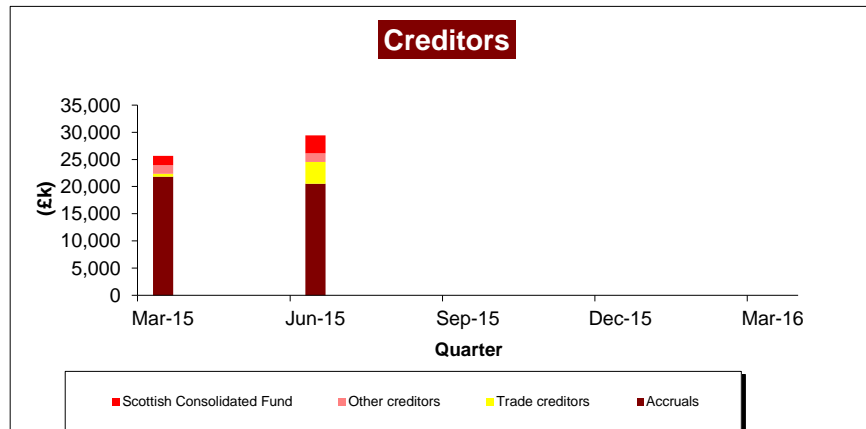
Land, Buildings and Fixed Plant professionally valued at £304.0m at 31 March 2015.
 WIP has been fully allocated to IT Software.
 IT Systems and Software, and Equipment, include depreciation.



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

2015-16 YTD (3 months to June 2015)	Garden Level Restaurant	Coffee Bar	Members' Restaurant	Members' Bar	QBH Lounge	Parliament Café	Commercial Events	Events	Internal Hospitality	Internal Meetings	YTD Actual Total	YTD Budget Total	YTD Variance	Current Annual Budget	Original Approved Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	96	24	7	2	13	40	6	84	4	18	294	294	0	1,095	1,095
Less:- Direct Outlet Costs	(128)	(17)	(18)	(1)	(18)	(35)	(3)	(40)	(9)	(15)	(284)	(281)	(3)	(1,113)	(1,113)
Net Contribution to Trading Profit/(Deficit) after direct outlet costs	(32)	8	(11)	1	(5)	5	3	44	(5)	3	10	13	(3)	(18)	(18)
Less:- Indirect Costs Generic Labour ¹ & Other Overheads ²											(131)	(128)	(3)	(472)	(472)
Net subsidy											(121)	(115)	(6)	(490)	(490)

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

2015-16 YTD (3 months to June 2015)	YTD Actual	YTD Budget	YTD Variance	Current Annual Budget	Original Approved Budget
	£'000	£'000	£'000	£'000	£'000
Sales (net of discount)	62	53	9	235	235
Less Cost of sales	33	25	9	119	119
Net Contribution	28	29	(0)	116	116
Direct Salaries	21	22	(0)	87	87
Other Direct Costs (2)	2	0	2	2	2
Total Direct Costs	23	22	1	88	88
Net Contribution/(Subsidy) after direct costs	5	7	(2)	28	28

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.