

**SPCB FINANCE REPORT**  
**Period 6 – September 2015**

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

**Executive Summary**

<b>Performance against Budget (year to date variance)</b>		
a) Total SPCB revenue and capital expenditure	<b>4.1%</b>	Para 2 & 7
b) Total SPS expenditure	<b>3.5%</b>	Para 8
c) Total project expenditure	<b>8.3%</b>	Para 9
<b>Operation of Financial Controls</b>		
d) Key reconciliations up to date	<b>100%</b>	Para 5
<b>Other Key Indicators</b>		
e) Payment performance	<b>99.2%</b>	Para 6

**Key:** RAG Status



Performance within target range



Performance outwith target range but acceptable



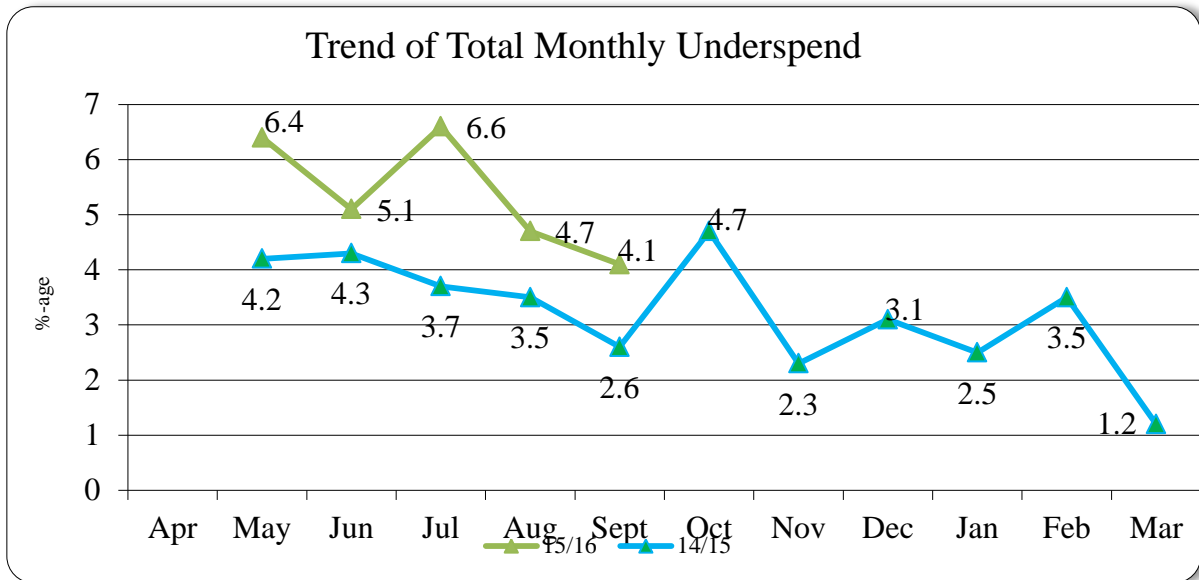
Performance outwith target range not acceptable

**Financial Commentary**

2. The Scottish Parliament's total revenue and capital expenditure to the end of September 2015 is £35.5m, an under spend against budget of £1.5m (4.1%). This is within the SPCB's target range of 0% to 5% under budget at this stage of the financial year. This underspend is higher than the comparable position for 2014-15 of £0.9m (2.6%).
3. Business areas reviewed their outturn forecast expenditure for the current year and will repeat this in October and November.
4. The Annual Report and Accounts were published on 16 September with an unqualified audit certificate from the Auditor General for Scotland.
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 although performance for September fell below this to 98.7%. The late payment of invoices is being addressed with offices where delays have occurred. The equivalent figure for payment within 10 days is 95.4% for the year to date.

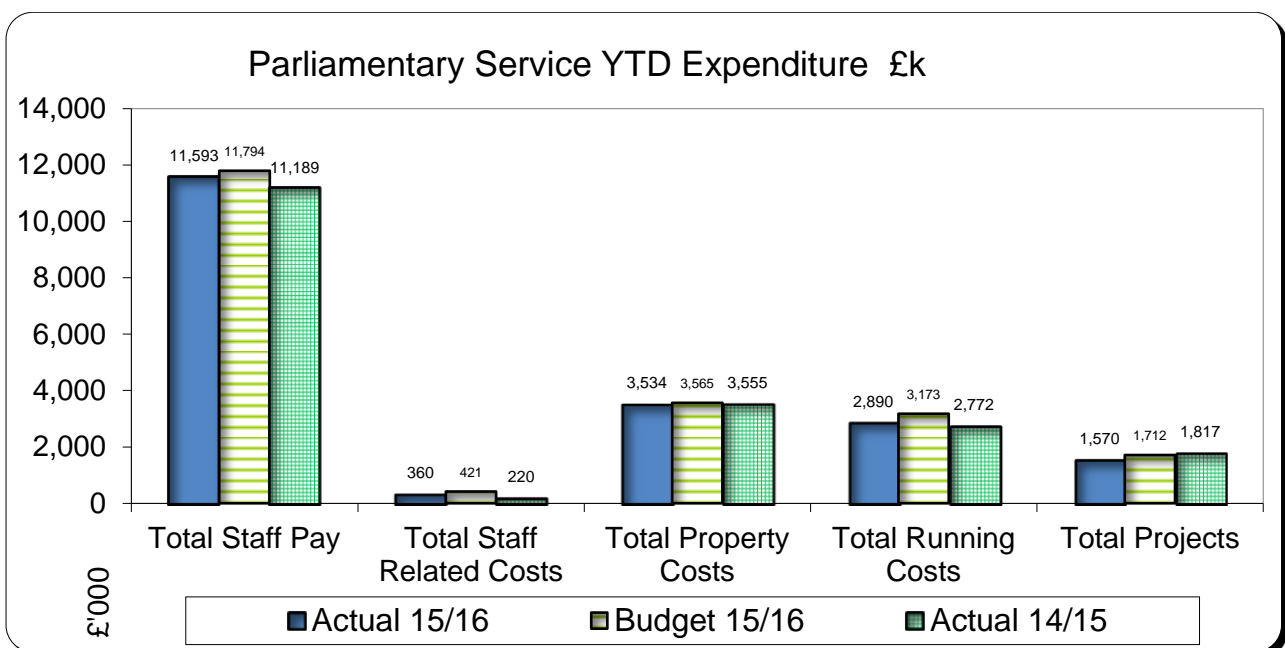
## Financial Results

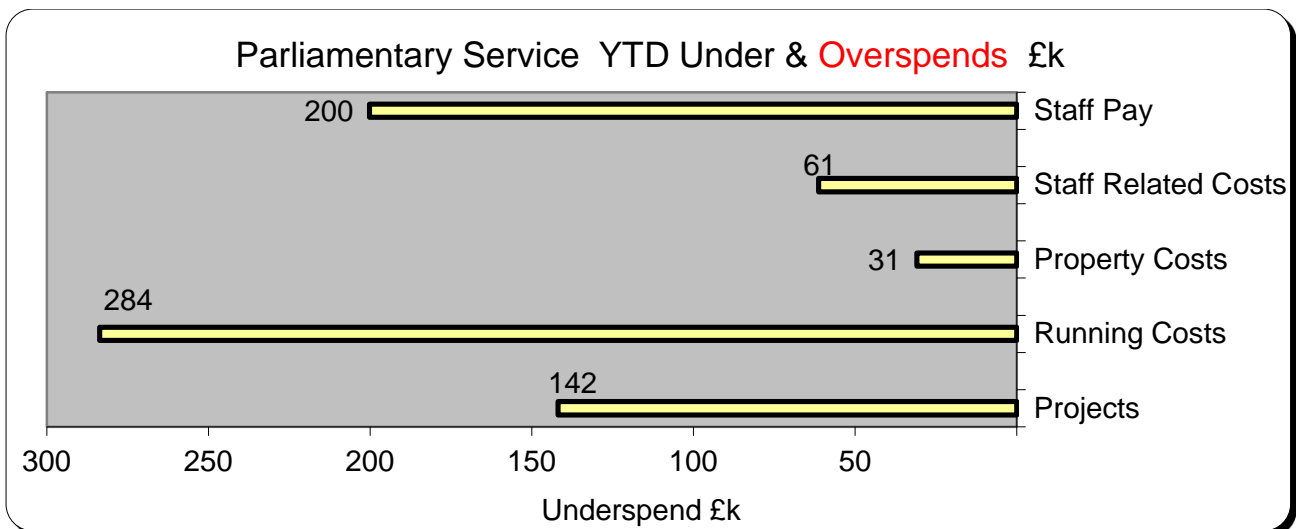
7. The SPCB's total revenue and capital expenditure per Schedule 1 for the six months ended September 2015 is £35.5m, which is £1.5m (4.1%) under the approved budget of £37.0m.



## Parliamentary Service Costs (Schedule 2)

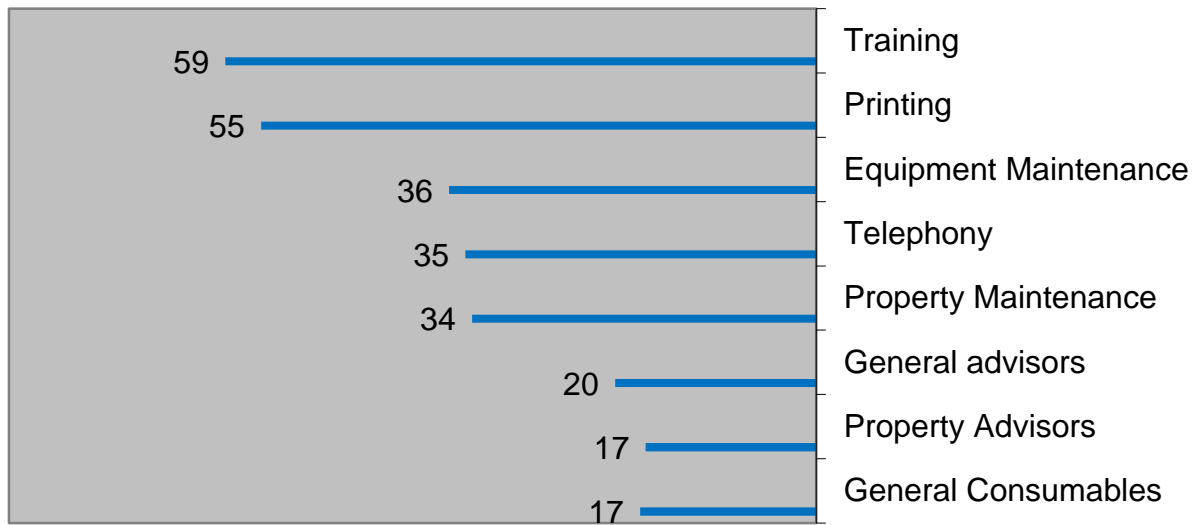
8. The year to date expenditure for the Parliamentary Service (SPS), at £19.9m, is £0.7m (3.5%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £19.6m at period 6 was £0.4m (2%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.





- Staff Pay is reported as £200k (1.7%) under budget including Agency staff and contractors.
- Expenditure on staff pay to date is £11.59m, £400k (3.6%) higher than the equivalent 14-15 costs of £11.19m.
- Staff Related Costs of £360k are reported as £61k (14.6%) below budget, largely due to the Corporate and Job Related Training underspend of £59k. Total Staff Related Costs actual spend to date is £140k (64%) higher than for the equivalent period in 2014-15.
- Property Costs of £3.55m are £31k (0.9%) under the Year to Date budget. This is attributable to Maintenance (£34k) and Property advisors (£12k) with an overspend (£-12k) in Utilities.
- Running Costs of £2.89m are £284k (8.9%) under budget. Main running cost underspends are IT contract (£89k), Printing (£55k), Equipment maintenance (£36k), Telephony (£35k), General advisors (£20k) and General Consumables (£17k). There are also year to date overspends in Mail Services (£-24k) and Advertising (£-18k) to be reviewed in the October reforecast. SPS income is £21k ahead of budget.
- Project expenditure in the first six months is currently at £1,570k, £142k (8.3%) below the phased year to date budget of £1,712k.

PS (Excluding Projects)  
Key YTD Under / Overspends £000k

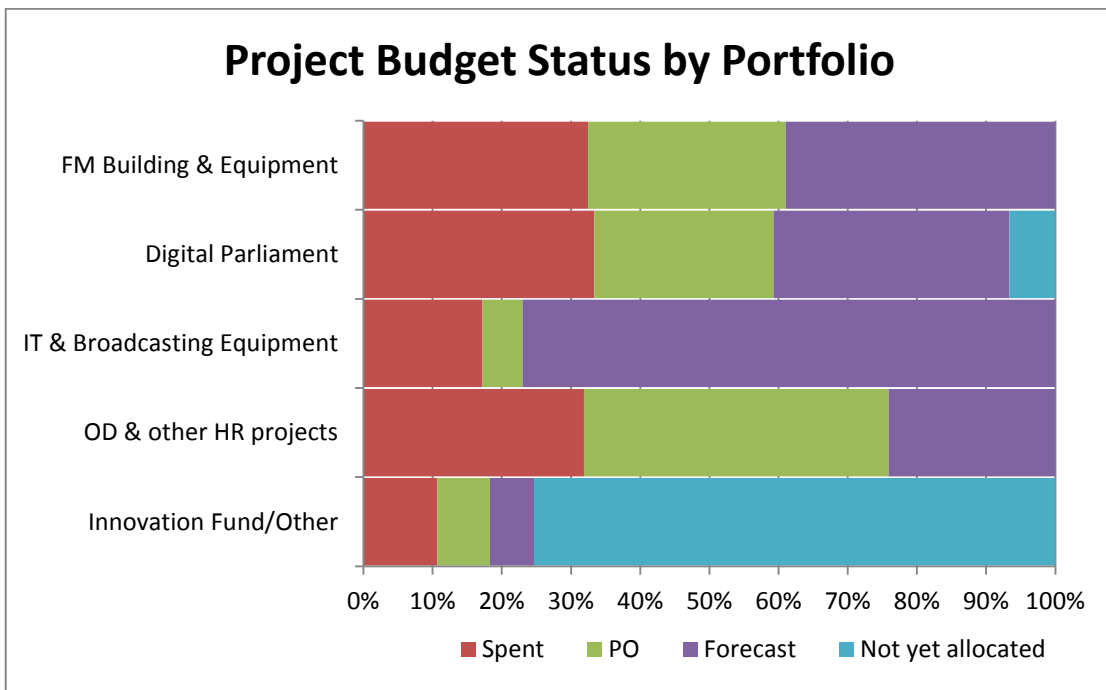
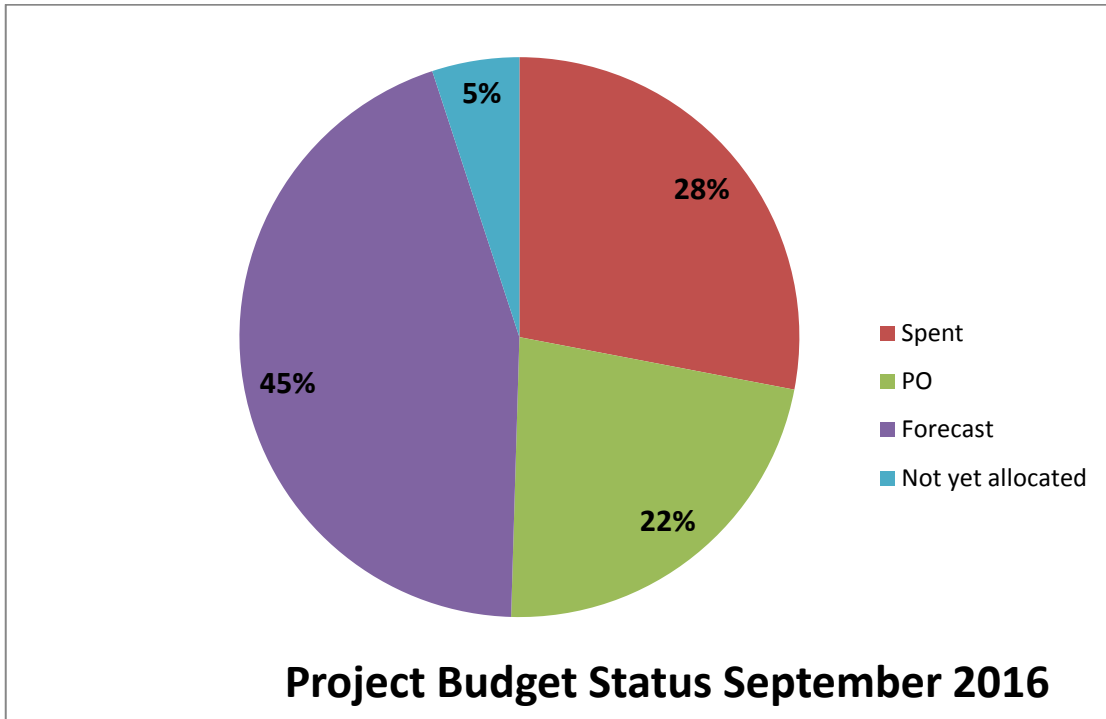


### Project Reporting (Schedule 3):

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

- Total project expenditure is £1,570k, £142k (8.3%) below the Year to Date budget of £1,712k.
- Revenue Projects show a total spend of £1,485k against a budget of £1,600k, a reported underspend of £115k (7.2%).
- The reported underspend (£115k) in revenue projects is attributable to HR Organisational Development programme (£38k), Digital Parliament Programme (£67k) and FM MFD's (£21k) .
- The September 2015 forecasting exercise increased the overall revenue project budget by £24k across several projects.
- Capital Projects have spent £86k for the year to date against a budget of £113k, an underspend of £27k (24%). £86k represents 7.2% of the annual capital project budget of £1.2 million. A number of projects are scheduled to take place in February and March 2016.
- Digital Parliament Programme expenditure is £504k for the year to date against a £571k budget, an underspend of £67k or 11.8%.
- £252k of project budget remains unallocated – Innovation Fund £33k, Digital Parliament £100k and Capital Projects £119k.

- 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 £11.6m reported cost to September 2015, £776k (6.3%) below the phased year to date budget. (The corresponding underspend figures for 2014-15 at the end of period 6 were £574k, 4.7%). Of the 15-16 underspend, £721k (11.1%) is on Members' Expenses. Party Assistance, at £176k, is reported as £41k 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 six months of 2015-16 amounts to £3.9m, which is £31k (0.8%) under the phased budget to September 2015. There is a balance of £261k available in the Officeholders' contingency fund.

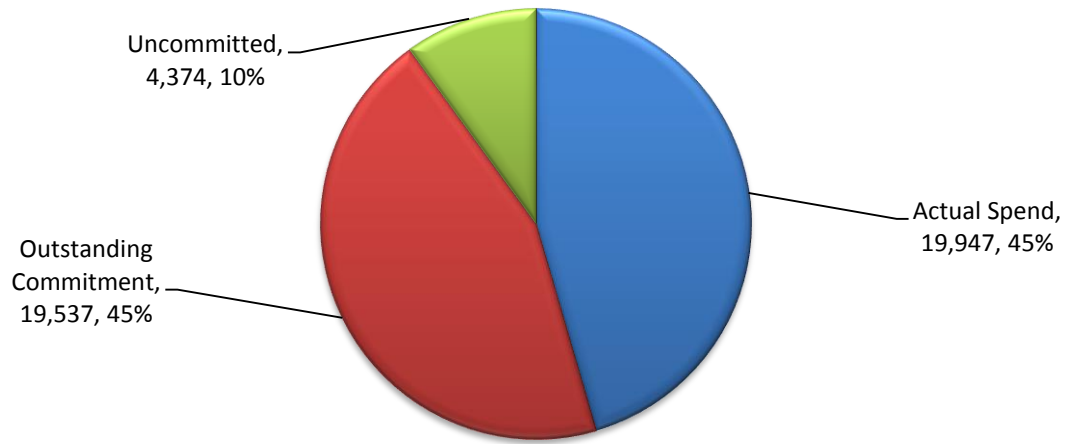
## **Central Contingency**

12. The SPCB's central revenue contingency of £188k as at August was reduced by net £84k as a result of the September forecasting exercise. It now stands at £104k. The movement in contingency in September was utilised to fund a net increase of £60k in the individual budget lines of PS offices and a net increase in revenue projects of £24k.

## **Commitment**

13. The actual expenditure plus commitment sits at £39.5m or 90% of the total PS budget of £43.7m as at the end of September 2015. Over 60% (£2.6m) of the uncommitted budget relates to revenue and capital projects evenly split across FM Buildings and Equipment, IT and the Digital Parliament. An exercise to more accurately forecast the full year cost of the IT Contractors currently allocated to core BIT work and BIT and DPP Projects is progressing.

**PS Committed Funds as at Sept 2015: £k,%**



Period 6  
September 2015 Leadership Group Financial Schedules

**Schedule 1**

	<b>Actual £'000</b>	<b>Year to Date Budget £'000</b>	<b>Variance £'000</b>	<b>Variance %</b>	<b>Current Annual Budget £'000</b>	<b>Original Approved Budget £'000</b>
<b>Parliamentary Service Costs (Schedule 2)</b>	19,947	20,665	718	3.5	43,858	42,962
<b>Members' Costs (Schedule 2)</b>	11,630	12,405	776	6.3	25,310	25,310
<b>Commissioners &amp; Ombudsman Costs (Schedule 2)</b>	3,939	3,970	31	0.8	8,294	8,294
<b>Sub Total</b>	<b>35,516</b>	<b>37,041</b>	<b>1,525</b>	<b>4.1</b>	<b>77,462</b>	<b>76,566</b>
<b>Reserves - SPCB Contingency</b>				n/a	104	1,000
<b>TOTAL SPCB EXPENDITURE</b>	<b>35,516</b>	<b>37,041</b>	<b>1,525</b>	<b>4.1</b>	<b>77,566</b>	<b>77,566</b>



**Schedule 2**

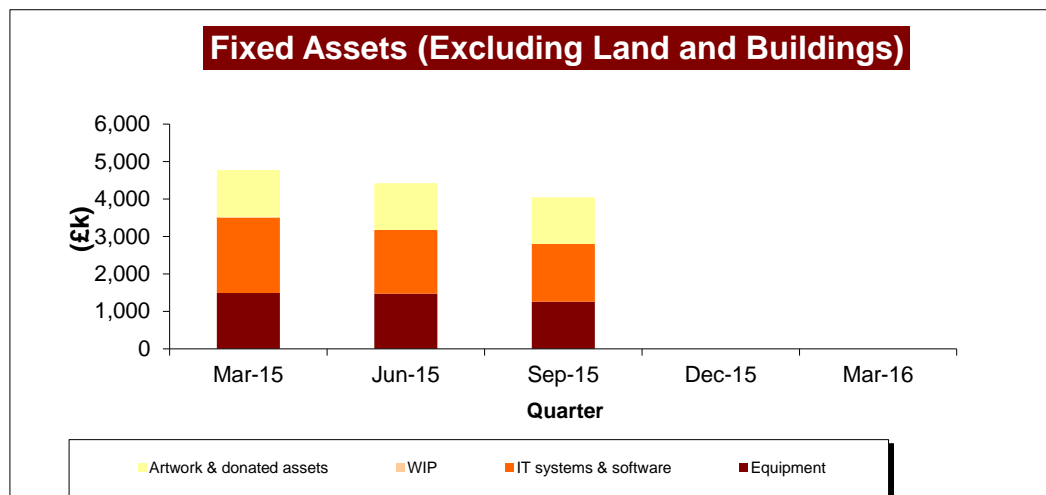
	<b>Actual £'000</b>	<b>Year-to-date Budget £'000</b>	<b>Variance £'000</b>	<b>Variance %</b>	<b>Current Annual Budget £'000</b>	<b>Original Approved Budget £'000</b>
<b><u>Parliamentary Service Costs</u></b>						
Staff Pay	11,593	11,794	200	1.7	23,392	22,973
Staff Related Costs	360	421	61	14.6	807	864
Property Costs	3,534	3,565	31	0.9	7,259	7,483
Running Costs (Including Events & Income)	2,890	3,173	284	8.9	6,794	6,542
<b>Parliamentary Service Costs excluding Projects</b>	<b>18,377</b>	<b>18,953</b>	<b>576</b>	<b>3.0</b>	<b>38,252</b>	<b>37,862</b>
<b>Projects (Schedule 3)</b>	<b>1,570</b>	<b>1,712</b>	<b>142</b>	<b>8.3</b>	<b>5,607</b>	<b>5,100</b>
<b>Total PS Expenditure</b>	<b>19,947</b>	<b>20,665</b>	<b>718</b>	<b>3.5</b>	<b>43,858</b>	<b>42,962</b>
<b><u>Members' Costs</u></b>						
MSP & Officeholders' Pay	5,701	5,715	14	0.2	11,440	11,440
MSP Expenses	5,752	6,473	721	11.1	13,399	13,389
Party Assistance	176	217	41	18.9	471	481
<b>Total</b>	<b>11,630</b>	<b>12,405</b>	<b>776</b>	<b>6.3</b>	<b>25,310</b>	<b>25,310</b>
<b><u>Commissioners &amp; Ombudsman</u></b>						
Ethical Standards Commission	334	348	14	4.0	811	811
Standards Commission	112	118	6	5.5	232	232
Human Rights Commission	500	491	(10)	(1.9)	952	952
Scottish Information Commissioner	736	744	8	1.0	1,509	1,464
Public Services Ombudsman	1,607	1,621	14	0.9	3,242	3,242
Commissioner for Children	650	649	(1)	(0.2)	1,287	1,287
Reserves - C&O Contingency	0	0	0	n/a	261	306
<b>Total</b>	<b>3,939</b>	<b>3,970</b>	<b>31</b>	<b>0.8</b>	<b>8,294</b>	<b>8,294</b>

Period 6  
September 2015 Leadership Group Financial Schedules

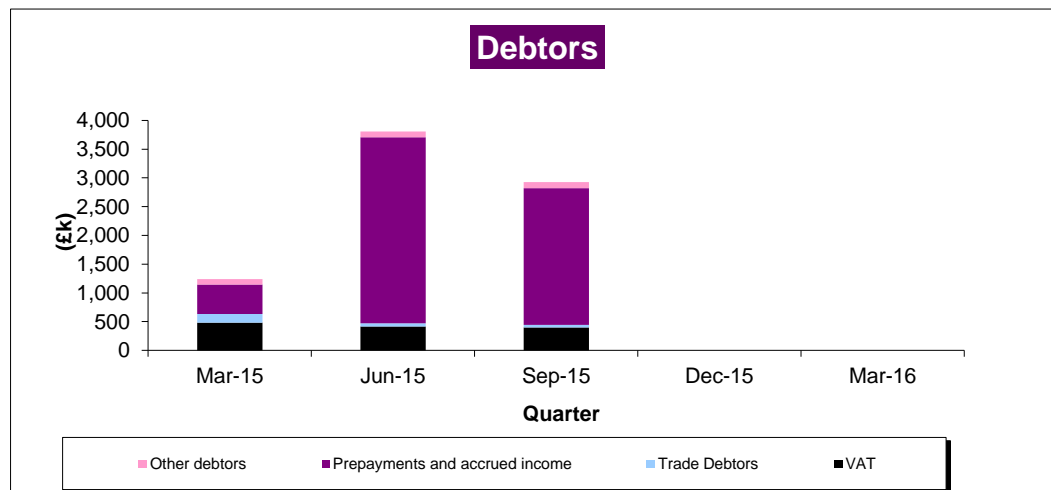
**Schedule 3**

<b>Project Summary : August 2015</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	1,485	1,600	115	7.2	4,407	3,672	33.7%	1,408	1,514
Unallocated	0	0	0	n/a	0	228	n/a	0	0
<b>Total Revenue Projects</b>	<b>1,485</b>	<b>1,600</b>	<b>115</b>	<b>7.2</b>	<b>4,407</b>	<b>3,900</b>	<b>33.7%</b>	<b>1,408</b>	<b>1,514</b>
Capital Projects									
Allocated	86	113	27	24.0	1,081	1,200	7.9%	8	988
Unallocated	0	0	0	n/a	119	0	n/a	0	119
<b>Total Capital Projects</b>	<b>86</b>	<b>113</b>	<b>27</b>	<b>24.0</b>	<b>1,200</b>	<b>1,200</b>	<b>7.1%</b>	<b>8</b>	<b>1,106</b>
<b>TOTAL</b>	<b>1,570</b>	<b>1,712</b>	<b>142</b>	<b>8.3</b>	<b>5,607</b>	<b>5,100</b>	<b>28.0%</b>	<b>1,416</b>	<b>2,620</b>

<b>By Portfolio:</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>
FM Building & Equipment	677	665	(13)	(1.9)	2,087	1,990	32.5%	721	689
IT Capital & Broadcasting Equipment	235	275	40	14.4	1,306	1,264	18.0%	79	992
Digital Parliament	504	571	67	11.8	1,509	1,666	33.4%	414	592
Innovation Fund	0	12	12	0	80	180	0.4%	3	77
Information Systems / Other	153	190	36	19.2	506	180	30.3%	200	152
<b>Total Projects Allocated</b>	<b>1,570</b>	<b>1,712</b>	<b>142</b>	<b>8.3</b>	<b>5,488</b>	<b>5,280</b>	<b>28.6%</b>	<b>1,416</b>	<b>2,502</b>
<b>Unallocated Project Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>	<b>119</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>119</b>
<b>TOTAL</b>	<b>1,570</b>	<b>1,712</b>	<b>142</b>	<b>8.3</b>	<b>5,607</b>	<b>5,280</b>	<b>28.0%</b>	<b>1,416</b>	<b>2,620</b>

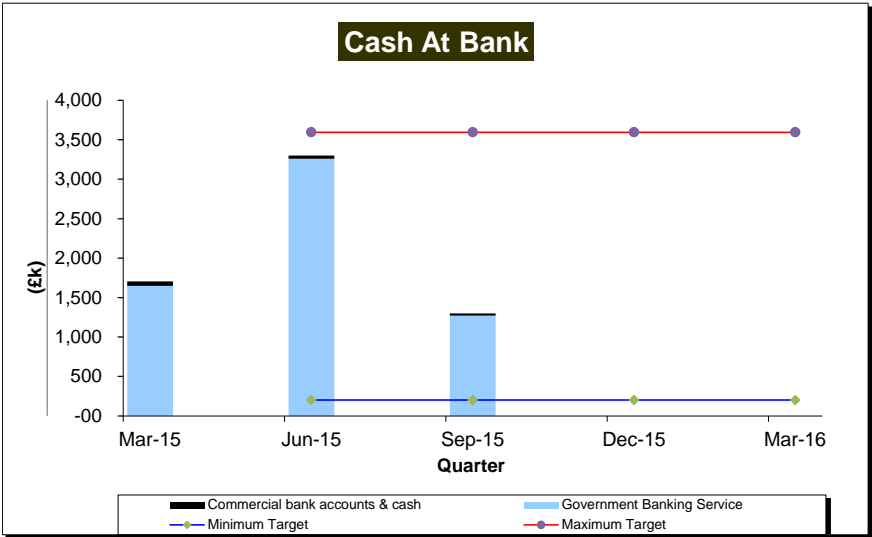


Land, Buildings and Fixed Plant professionally valued at £304.0m at 31 March 2015.  
IT Systems and Software, and Equipment, include depreciation.

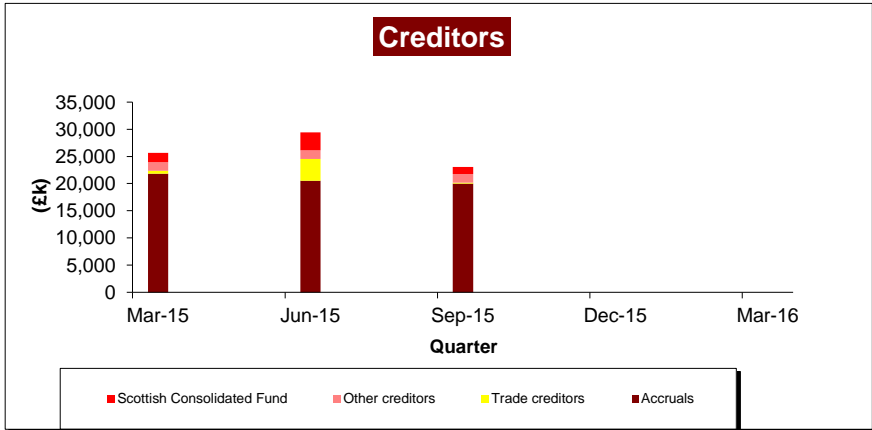


**Note**

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 (6 months to September 2015)	Garden Level	Coffee Bar	Members'	Members' Bar	QBH	Parliament	Commercia	Events	Internal	Internal	YTD	YTD	YTD	Current	Original
	Restaurant		Restaurant		Lounge	Café	I Events		Hospitality	Meetings	Actual	Budget		Variance	Annual
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	181	44	8	2	24	79	25	125	9	27	525	535	(10)	1,095	1,095
Less:- Direct Outlet Costs	(244)	(32)	(23)	(1)	(41)	(68)	(11)	(70)	(18)	(26)	(535)	(525)	(10)	(1,113)	(1,113)
<b>Net Contribution to Trading Profit/(Deficit) after direct outlet costs</b>	<b>(63)</b>	<b>12</b>	<b>(15)</b>	<b>1</b>	<b>(17)</b>	<b>11</b>	<b>14</b>	<b>55</b>	<b>(9)</b>	<b>1</b>	<b>(10)</b>	<b>10</b>	<b>(20)</b>	<b>(18)</b>	<b>(18)</b>
Less:- Indirect Costs Generic Labour <sup>1</sup> & Other Overheads <sup>2</sup>											(277)	(306)	29	(488)	(472)
<b>Net subsidy</b>											<b>(287)</b>	<b>(296)</b>	<b>9</b>	<b>(506)</b>	<b>(490)</b>

Notes:

Note <sup>1</sup> - Generic Labour includes: All management roles and some support roles

Note <sup>2</sup> - 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)	To Be Updated	YTD	YTD	YTD	Current	Original
		Actual	Budget	Variance	Annual	Approved
		£'000	£'000	£'000	Budget	Budget
					£'000	£'000
Sales (net of discount)		62	53	9	235	235
Less Cost of sales		33	25	9	119	119
<b>Net Contribution</b>		<b>28</b>	<b>29</b>	<b>(0)</b>	<b>116</b>	<b>116</b>
Direct Salaries		21	22	(0)	87	87
Other Direct Costs (2)		2	0	2	2	2
<b>Total Direct Costs</b>		<b>23</b>	<b>22</b>	<b>1</b>	<b>88</b>	<b>88</b>
<b>Net Contribution/(Subsidy) after direct costs</b>		<b>5</b>	<b>7</b>	<b>(2)</b>	<b>28</b>	<b>28</b>

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.