

**SPCB FINANCE REPORT**  
**Period 9 – December 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>2.9%</b>	Para 2 & 6
b) Total SPS expenditure	<b>1.3%</b>	Para 7
c) Total project expenditure	<b>3.5%</b>	Para 8
<b>Operation of Financial Controls</b>		
d) Key reconciliations up to date	<b>100%</b>	Para 4
<b>Other Key Indicators</b>		
e) Payment performance	<b>99.3%</b>	Para 5

**Key:** RAG Status



Performance within target range



Performance outwith target range but acceptable



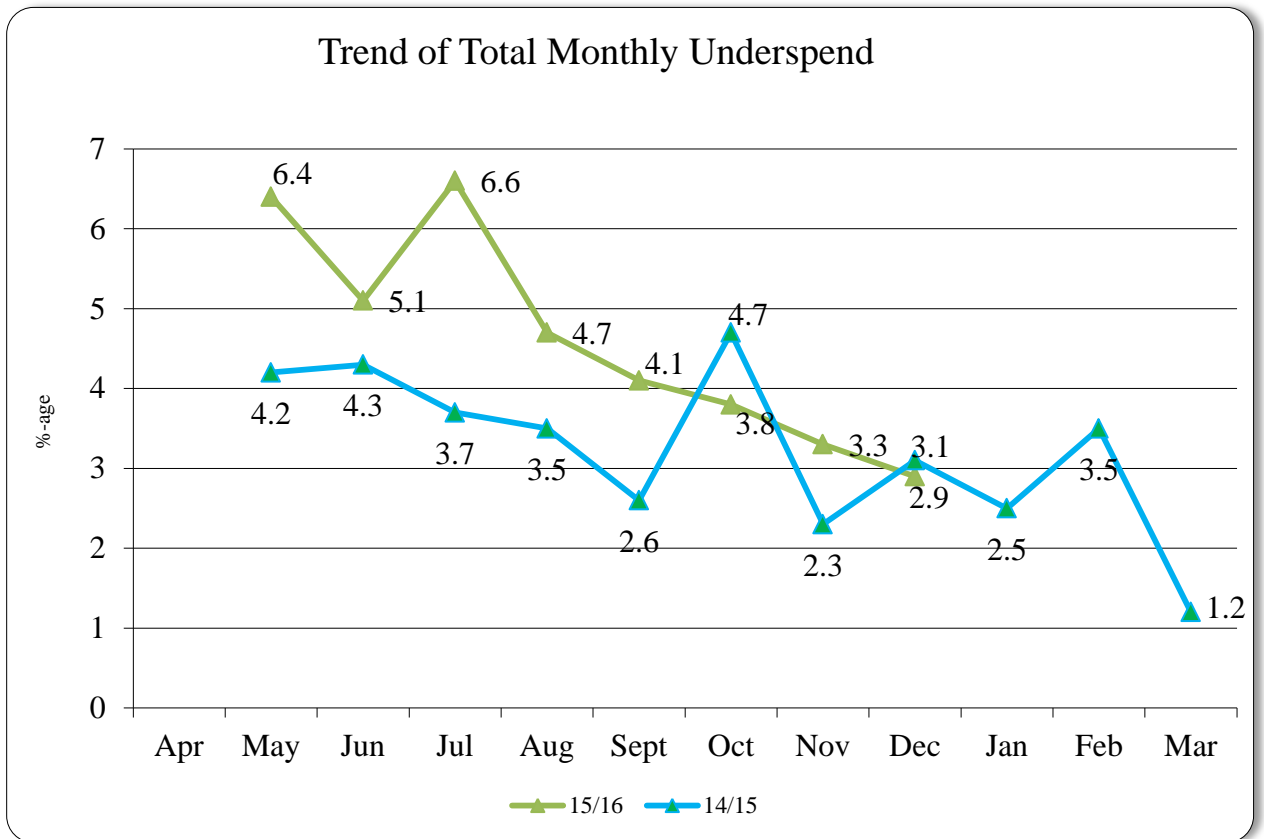
Performance outwith target range not acceptable

**Financial Commentary**

2. The Scottish Parliament's total revenue and capital expenditure to the end of December 2015 is £54.5m, an under spend against budget of £1.6m (2.9%). This is out with the SPCB's target range of 0% to 2.5% under budget at this stage of the financial year but has reduced from the 3.3% underspend in November. The year to date underspend is also lower than the comparable position for 2014-15 of £1.7m (3.1%).
3. Following on from the review of significant budget variances undertaken by Business Accountants with Offices in November, some further work was undertaken on forecasts resulting in a £4k reduction in the SPCB's central contingency to £9k. A wider forecasting exercise is underway in January 2016 and will be reflected in the period 10 figures.
4. All key reconciliations for the current year are up to date. In mid-January 2016, as a result of the change in the provider of the Government Banking Service, the SPCB main bank accounts are migrating from Citibank/RBS to RBS. We, along with the Scottish Government, form part of a much wider project on this transition.
5. Payment performance within contract terms for the year to date exceeds the 99% target with performance for the month of December at 99.6%. The equivalent figure for payment within 10 days is 96.3% for the year to date.

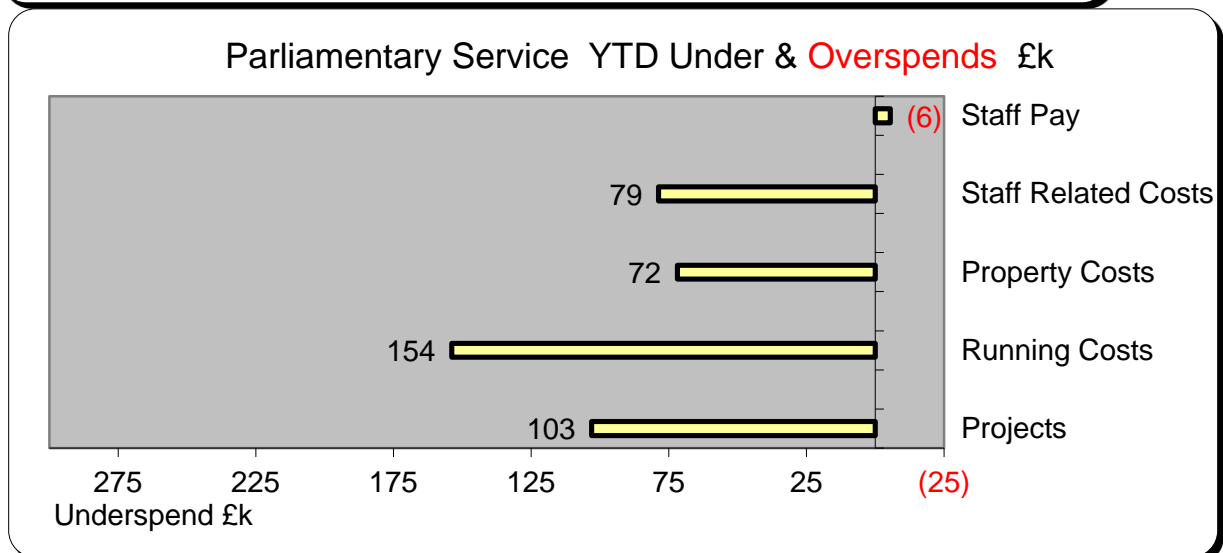
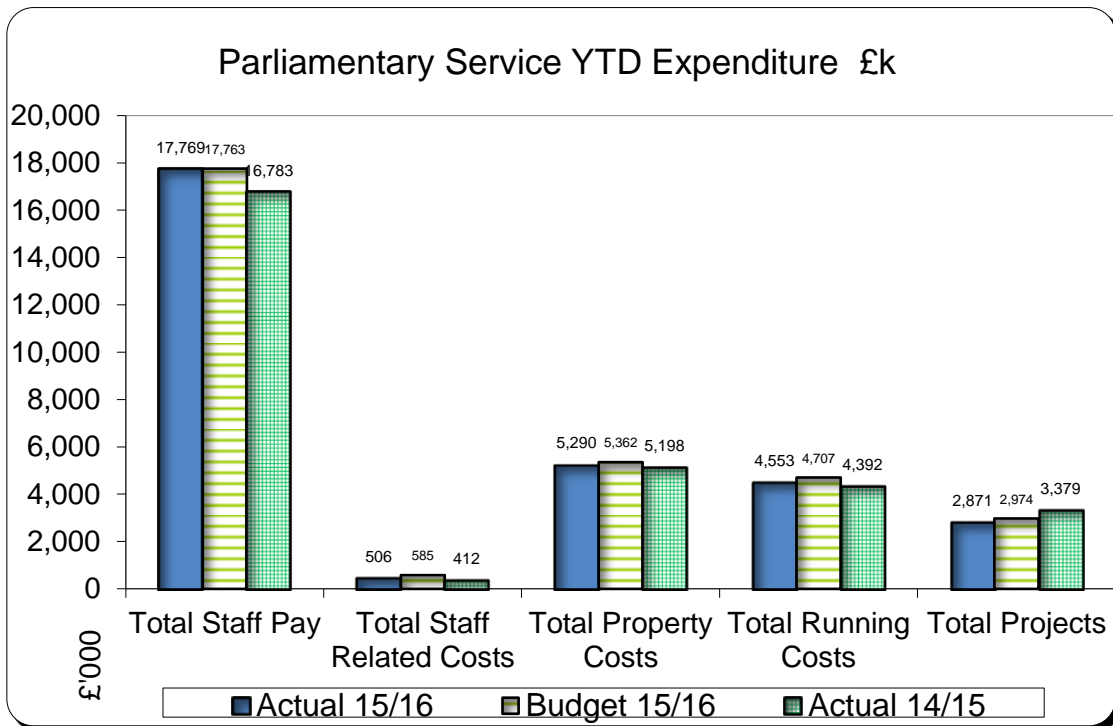
## Financial Results

6. The SPCB's total revenue and capital expenditure per Schedule 1 for the nine months ended December 2015 is £54.4m, which is £1.65m (2.9%) under the approved budget of £56.1m.



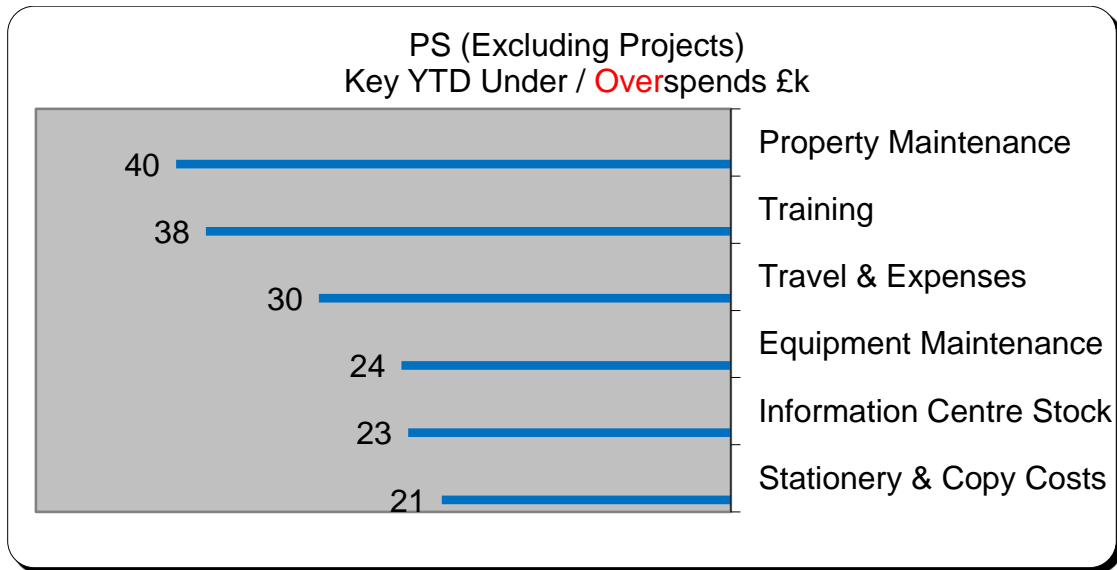
## Parliamentary Service Costs (Schedule 2)

7. The year to date expenditure for the Parliamentary Service (SPS), at £31.0m, is £0.4m (1.3%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £30.2m at period 9 was £0.7m (2.3%) 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 £6k (0.03%) over budget including Agency staff and contractors.
- Expenditure on staff pay to date is £17.8m, £986k (5.9%) higher than the equivalent 14-15 costs of £16.8m.
- Staff Related Costs of £506k are reported as £79k (13.4%) below budget, largely due to the Corporate and Job Related Training underspend of £38k. These costs are £94k (23%) higher compared to the equivalent period in 2014-15.
- Property Costs of £5.3m are £72k (1.3%) under the Year to Date budget. This is attributable to Maintenance (£40k) and Property Advisors (£20k).
- Running Costs of £4.6m are £154k (3.3%) under budget. Main running cost underspends are Information Centre Stock (£23k) and Equipment Maintenance (£24k).

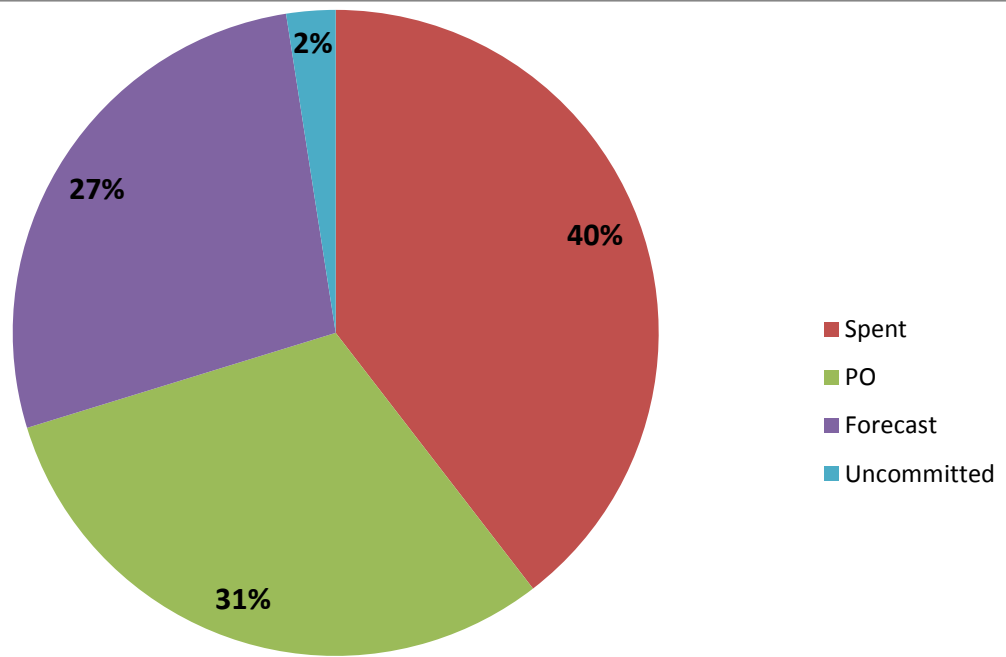
- Project expenditure in the first nine months is currently at £2,871k, £103k (3.5%) below the phased year to date budget of £2,974k.



### Project Reporting (Schedule 3):

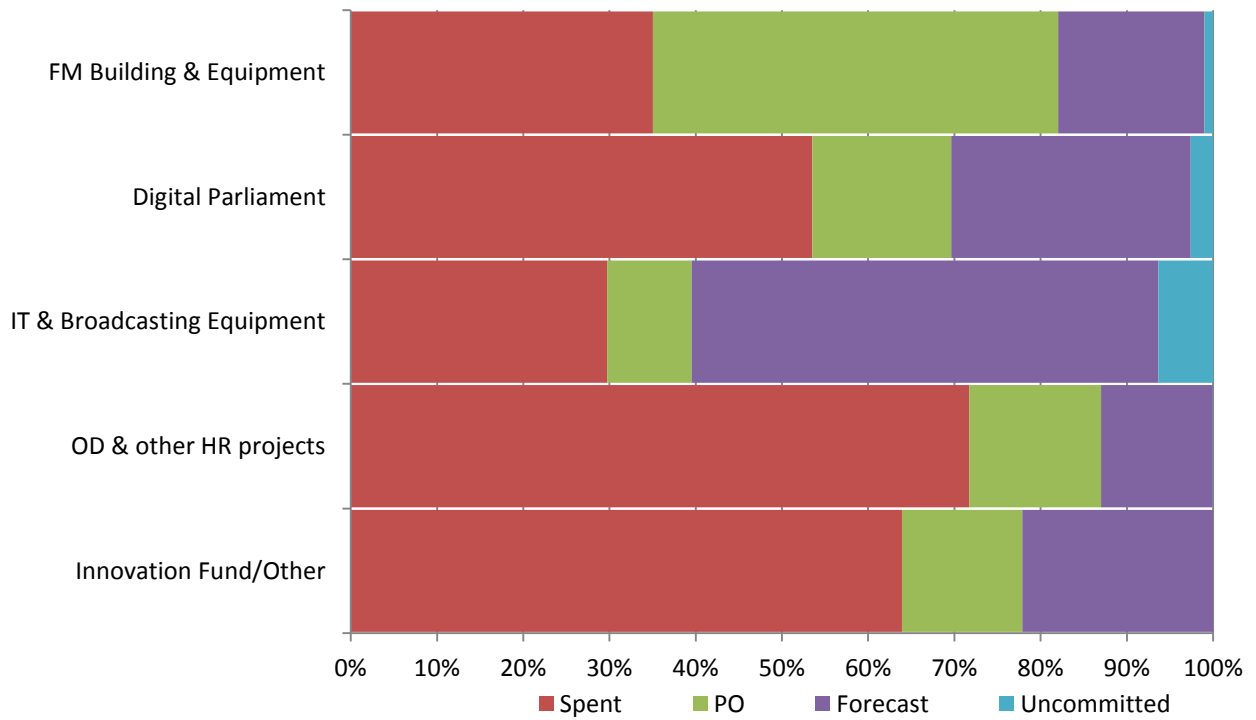
8. Schedule 3 shows project spend by category of project.

- Total project expenditure is £2,871k, £103k (3.5%) below the Year to Date budget of £2,974k. This expenditure represents 51% of the current annual budget. As previously reported, the total annual project budget is fully committed, with firm plans in place to spend the remaining annual budget in the final three months.
- Revenue Projects show a total spend of £2,603k against a budget of £2,611k, a reported underspend of £8k (0.3%).
- Capital Projects have spent £268k for the year to date against a budget of £363k, an underspend of £95k (26.1%). £268k represents 22% of the annual capital project budget of £1.2 million. £275k of the capital budget has been allocated for the BIT Digital Work Place Project and £420k for the Broadcasting project – both due to be carried out in February / March 2016.
- The charts below provide an overview of the full year project budget by 'certainty' of expenditure.



**Project Budget Status December 2015**

**Project Budget Status by Portfolio**



## Members' Costs (Schedule 2)

9. Members' costs are analysed in Schedule 2, which shows £17.5m reported cost to December 2015, £1.2m (6.3%) below the phased year to date budget. (The corresponding figures for 2014-15 at period 9 were an underspend of £1.0m, 5.4%). Of the 15-16 underspend, £1,086k (11.1%) relates to Members' Expenses. Party Assistance, at £288k, is reported as £63k under the year to date budget.

## Commissioners & Ombudsman Costs (Schedule 2)

10. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the nine months of 2015-16 amounts to £5.9m, which is £61k (1.0%) under the phased budget to December 2015. The balance of £261k currently shown as available in the Officeholders' contingency fund will be adjusted in subsequent Finance Reports to reflect any remaining budget transfers agreed by the Corporate Body in the final quarter of the year.

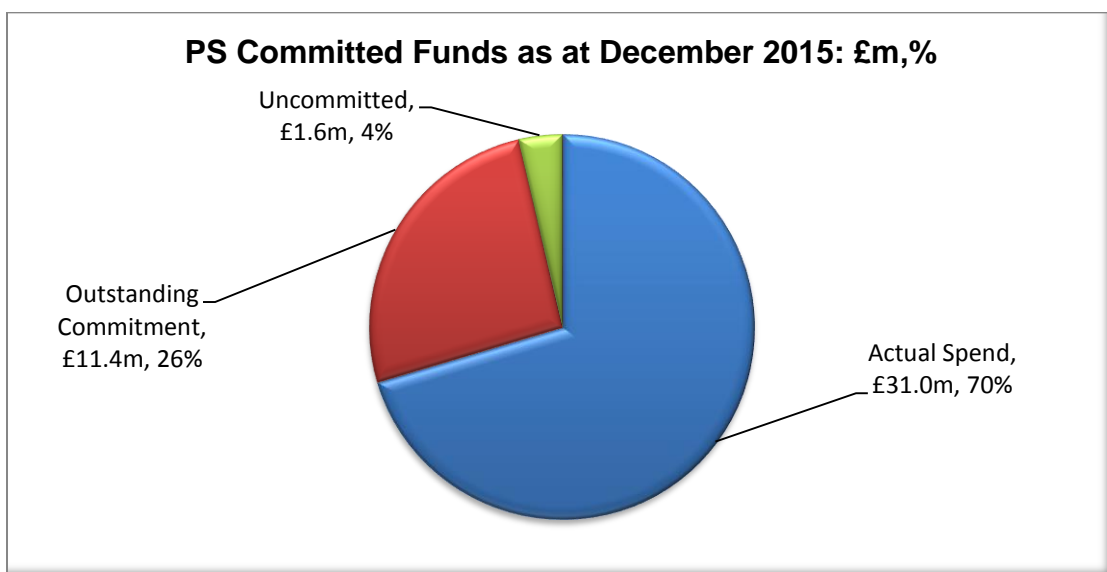
## Central Contingency

11. The SCPB's central contingency of £13k as at November has been reduced by £4k as a result of adjustments to the year-end outturn forecast and currently stands at £9k. The main movements were :-

- £13k returned by Digital Parliament Programme
- £27k needed in respect of the budgeted vacancy gap for December

## Commitment

12. Actual expenditure plus commitment is £42.4m or 96% of the total PS budget of £43.95m as at the end of December 2015. Of the uncommitted budget, 60% (£1.0m) relates to IT and Broadcasting projects and £0.8m to running costs.



Period 9  
December 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>	30,989	31,391	402	1.3	43,953	42,962
<b>Members' Costs (Schedule 2)</b>	17,539	18,725	1,186	6.3	25,310	25,310
<b>Commissioners &amp; Ombudsman Costs (Schedule 2)</b>	5,936	5,997	61	1.0	8,294	8,294
<b>Sub Total</b>	<b>54,464</b>	<b>56,113</b>	<b>1,649</b>	<b>2.9</b>	<b>77,557</b>	<b>76,566</b>
<b>Reserves - SPCB Contingency</b>				n/a	9	1,000
<b>TOTAL SPCB EXPENDITURE</b>	<b>54,464</b>	<b>56,113</b>	<b>1,649</b>	<b>2.9</b>	<b>77,566</b>	<b>77,566</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	17,769	17,763	(6)	(0.0)	23,581	22,973
Staff Related Costs	506	585	79	13.4	854	864
Property Costs	5,290	5,362	72	1.3	7,251	7,483
Running Costs (Including Events & Income)	4,553	4,707	154	3.3	6,686	6,542
<b>Parliamentary Service Costs excluding Projects</b>	<b>28,118</b>	<b>28,417</b>	<b>299</b>	<b>1.1</b>	<b>38,372</b>	<b>37,862</b>
<b>Projects (Schedule 3)</b>	<b>2,871</b>	<b>2,974</b>	<b>103</b>	<b>3.5</b>	<b>5,581</b>	<b>5,100</b>
<b>Total PS Expenditure</b>	<b>30,989</b>	<b>31,391</b>	<b>402</b>	<b>1.3</b>	<b>43,953</b>	<b>42,962</b>
<b><u>Members' Costs</u></b>						
MSP & Officeholders' Pay	8,541	8,578	36	0.4	11,440	11,440
MSP Expenses	8,710	9,796	1,086	11.1	13,399	13,389
Party Assistance	288	351	63	18.1	471	481
<b>Total</b>	<b>17,539</b>	<b>18,725</b>	<b>1,186</b>	<b>6.3</b>	<b>25,310</b>	<b>25,310</b>
<b><u>Commissioners &amp; Ombudsman</u></b>						
Ethical Standards Commission	556	542	(15)	(2.7)	811	811
Standards Commission	170	175	5	2.8	232	232
Human Rights Commission	735	732	(2)	(0.3)	952	952
Scottish Information Commissioner	1,068	1,156	89	7.7	1,509	1,464
Public Services Ombudsman	2,445	2,431	(14)	(0.6)	3,242	3,242
Commissioner for Children	962	961	(1)	(0.1)	1,287	1,287
Reserves - C&O Contingency	0	0	0	n/a	261	306
<b>Total</b>	<b>5,936</b>	<b>5,997</b>	<b>61</b>	<b>1.0</b>	<b>8,294</b>	<b>8,294</b>

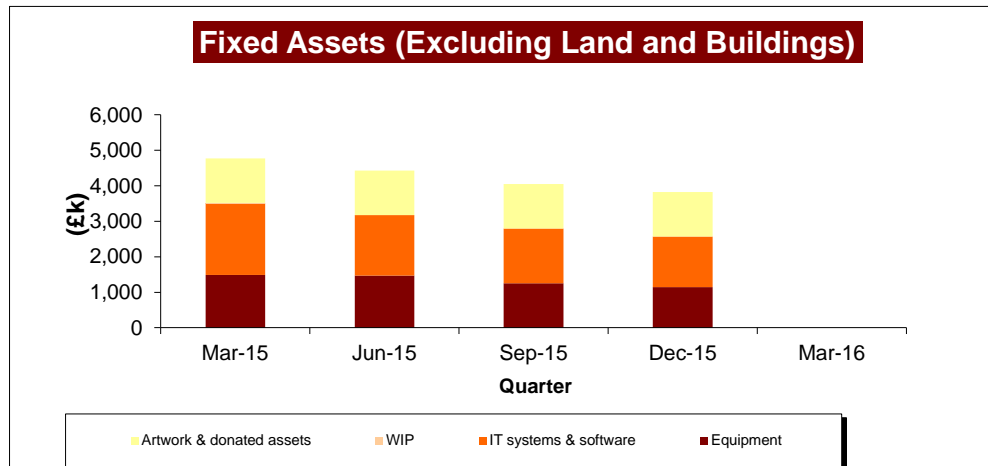


Period 9  
December 2015 Leadership Group Financial Schedules

**Schedule 3**

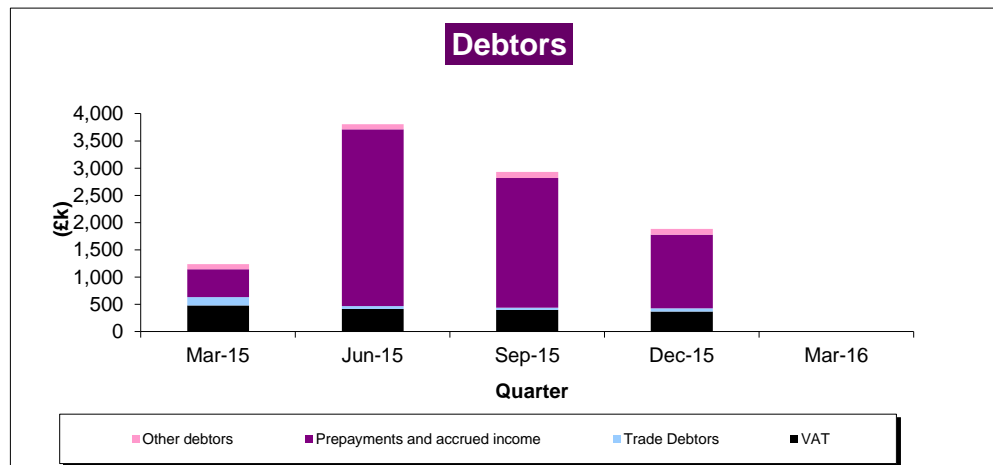
<b>Project Summary : December 2015</b>	<b>YTD Actual £k</b>	<b>YTD Budget £k</b>	<b>Variance £k</b>	<b>Variance %</b>	<b>Current Annual Budget £k</b>	<b>Original Approved Budget £k</b>	<b>% Spent of Total Budget</b>	<b>Outstanding Commitment £k</b>	<b>Funds Available £k</b>
Revenue Projects									
Allocated	2,603	2,611	8	0.3	4,348	3,672	59.9%	2,193	(448)
Unallocated	0	0	0	n/a	33	228	n/a	0	33
<b>Total Revenue Projects</b>	<b>2,603</b>	<b>2,611</b>	<b>8</b>	<b>0.3</b>	<b>4,381</b>	<b>3,900</b>	<b>59.4%</b>	<b>2,193</b>	<b>(415)</b>
Capital Projects									
Allocated	268	363	95	26.1	1,200	1,200	22.3%	50	883
Unallocated	0	0	0	n/a	0	0	n/a	0	0
<b>Total Capital Projects</b>	<b>268</b>	<b>363</b>	<b>95</b>	<b>26.1</b>	<b>1,200</b>	<b>1,200</b>	<b>22.3%</b>	<b>50</b>	<b>883</b>
<b>TOTAL</b>	<b>2,871</b>	<b>2,974</b>	<b>103</b>	<b>3.5</b>	<b>5,581</b>	<b>5,100</b>	<b>51.4%</b>	<b>2,243</b>	<b>467</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	1,322	1,344	22	1.6	2,242	1,990	59.0%	1,775	(855)
IT Capital & Broadcasting Equipment	481	528	47	8.8	1,606	1,264	30.0%	159	966
Digital Parliament	783	788	6	0.7	1,207	1,666	64.8%	235	189
Innovation Fund/Other	45	54	9	0	124	180	36.1%	23	57
OD and HR projects	240	260	20	7.8	401	0	59.8%	51	110
<b>Total Projects Allocated</b>	<b>2,871</b>	<b>2,974</b>	<b>103</b>	<b>3.5</b>	<b>5,581</b>	<b>5,100</b>	<b>51.4%</b>	<b>2,243</b>	<b>467</b>
<b>Unallocated Project Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>2,871</b>	<b>2,974</b>	<b>103</b>	<b>3.5</b>	<b>5,581</b>	<b>5,100</b>	<b>51.4%</b>	<b>2,243</b>	<b>467</b>



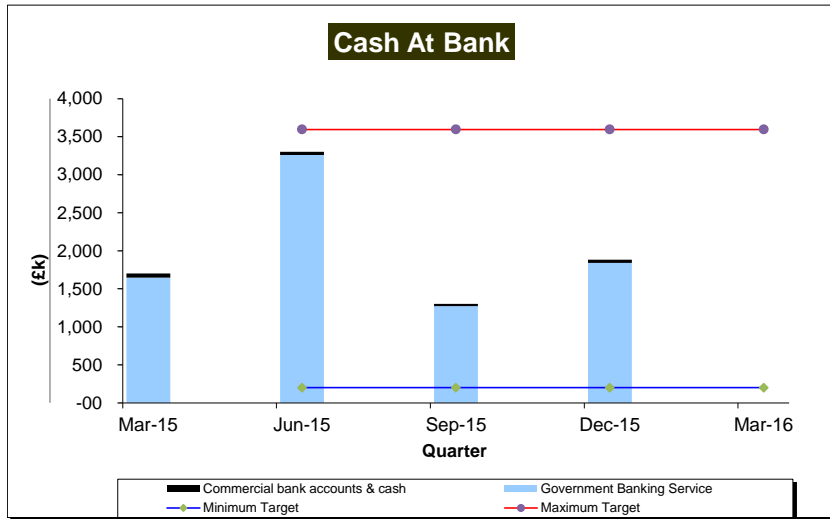
**Note**

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

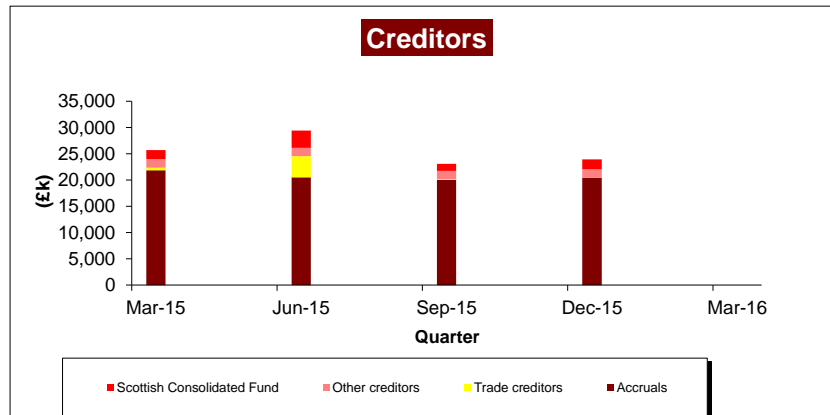


**Note**

Movement in prepayments is due to accounting treatment of rates  
VAT balance represents only the most recent quarter



**Note**  
Bank balances kept within target.



**Note**  
Scottish Consolidated Fund creditor equal to bank balance  
Trade creditors higher in June due to accounting treatment of rates (paid in September).  
Accruals slightly higher at March 2015 to capture costs in correct financial year.

Schedule 6 Income from Catering Operation and from Parliament Shop

Analysis of Catering Costs and Subsidy

2015-16 YTD (9 months to December 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	278	67	14	4	36	106	34	222	34	44	839	535	304	1,095	1,095
Less:- Direct Outlet Costs	(356)	(48)	(42)	(2)	(60)	(95)	(15)	(115)	(33)	(41)	(807)	(525)	(282)	(1,113)	(1,113)
<b>Net Contribution to Trading Profit/(Deficit) after direct outlet costs</b>	<b>(78)</b>	<b>19</b>	<b>(28)</b>	<b>2</b>	<b>(24)</b>	<b>11</b>	<b>19</b>	<b>106</b>	<b>1</b>	<b>4</b>	<b>32</b>	<b>10</b>	<b>22</b>	<b>(18)</b>	<b>(18)</b>
Less:- Indirect Costs Generic Labour <sup>1</sup> & Other Overheads <sup>2</sup>											(404)	(391)	(13)	(466)	(472)
<b>Net subsidy</b>											<b>(372)</b>	<b>(381)</b>	<b>9</b>	<b>(484)</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 (9 months to December 2015)	YTD Actual	YTD Budget	YTD Variance	Current Annual Budget	Original Approved Budget
	£'000	£'000	£'000	£'000	£'000
Sales (net of discount)	191	199	(8)	236	236
Less Cost of sales	110	117	(8)	137	137
<b>Net Contribution</b>	<b>81</b>	<b>82</b>	<b>(1)</b>	<b>100</b>	<b>100</b>
Direct Salaries	65	66	(1)	87	87
Other Direct Costs (2)	4	1	3	2	2
<b>Total Direct Costs</b>	<b>68</b>	<b>67</b>	<b>1</b>	<b>89</b>	<b>89</b>
<b>Net Contribution/(Subsidy) after direct costs</b>	<b>13</b>	<b>15</b>	<b>(2)</b>	<b>11</b>	<b>11</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.