

SPCB FINANCE REPORT Period 3 – June 2018

1. This report is to inform SPCB of general financial activity and expenditure trends in 2018-19.

Executive Summary

Performance against Budget (year to date variance)		
a) Total SPCB revenue and capital expenditure	3.3%	Para 2 & 6
b) Total SPS expenditure	6.0%	Para 8
c) Total project expenditure	6.8%	Para 9
Operation of Financial Controls		
d) Key reconciliations up to date	100%	Para 4
Other Key Indicators		
e) Payment performance	99.5%	Para 4

Key: RAG Status



Performance within target range



Performance outwith target range but acceptable



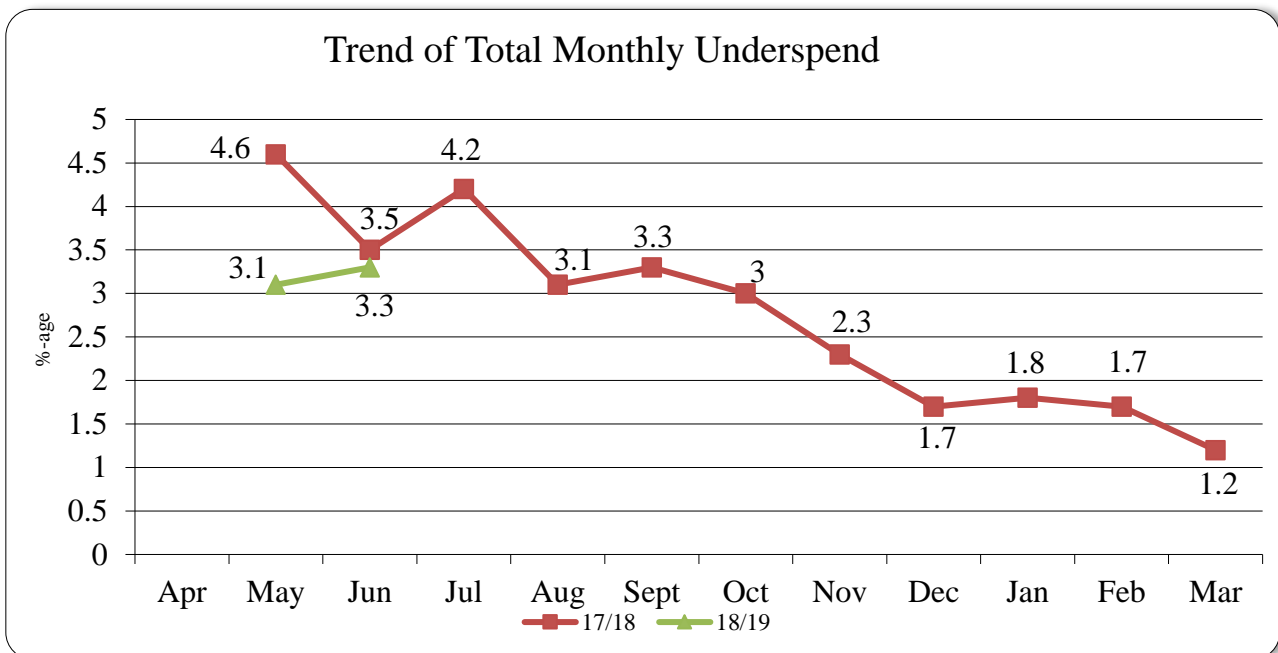
Performance outwith target range not acceptable

Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure for the first three months of 2018-19 of £20.0m represents an underspend against budget of £0.7m (3.3%) which is within the SPCB's target range of 0% to 5.0% (as shown in green in the Executive Summary chart). The overall underspend is lower in absolute and percentage terms than the comparable position for 2017-18 of expenditure of £19.0m which represented an underspend against budget of £0.7m (3.5%).
3. Following on from an early reallocation of the SPCB's 2018-19 budget within the period 2 figures to reflect known adjustments between the budget setting process in December 2017 and the start of the financial year, a reforecasting exercise was held along with consideration of budget requests at the Strategic Resources Board in June, resulting in further movements in central contingency.
4. All key reconciliations are up to date. Payment performance within contract terms for the year to date exceeds the 99% target. The equivalent figure for payment within 10 days is 98.0% for the year to date.
5. The year-end accounts preparation is proceeding to timetable and Audit Scotland commenced its fieldwork in early July.

Financial Results

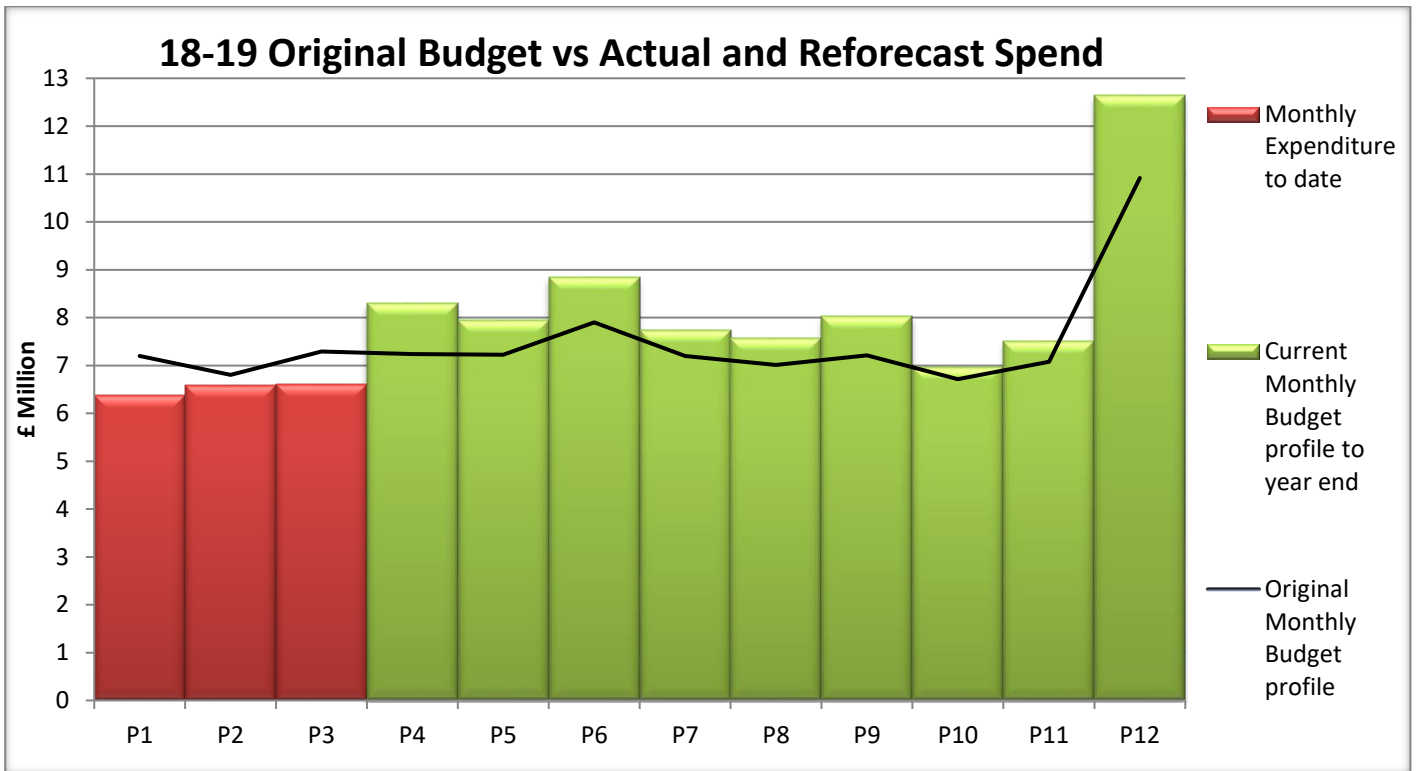
6. The SPCB's total revenue and capital expenditure per Schedule 1 for June 2018 is £20.0m, which is £0.7m (3.3%) under the approved year to date budget of £20.7m. This is similar in absolute terms to the June 2017 results for which the year to date expenditure was £19.0m against a budget of £19.7m. The underspend percentage was lower than the June 2017 value of 3.5%.



7. The table below shows actual monthly expenditure (red) up to the end of June and the current reforecast monthly expenditure (green) for the remaining 9 months of the year. The original monthly budget profile is shown by the black line.

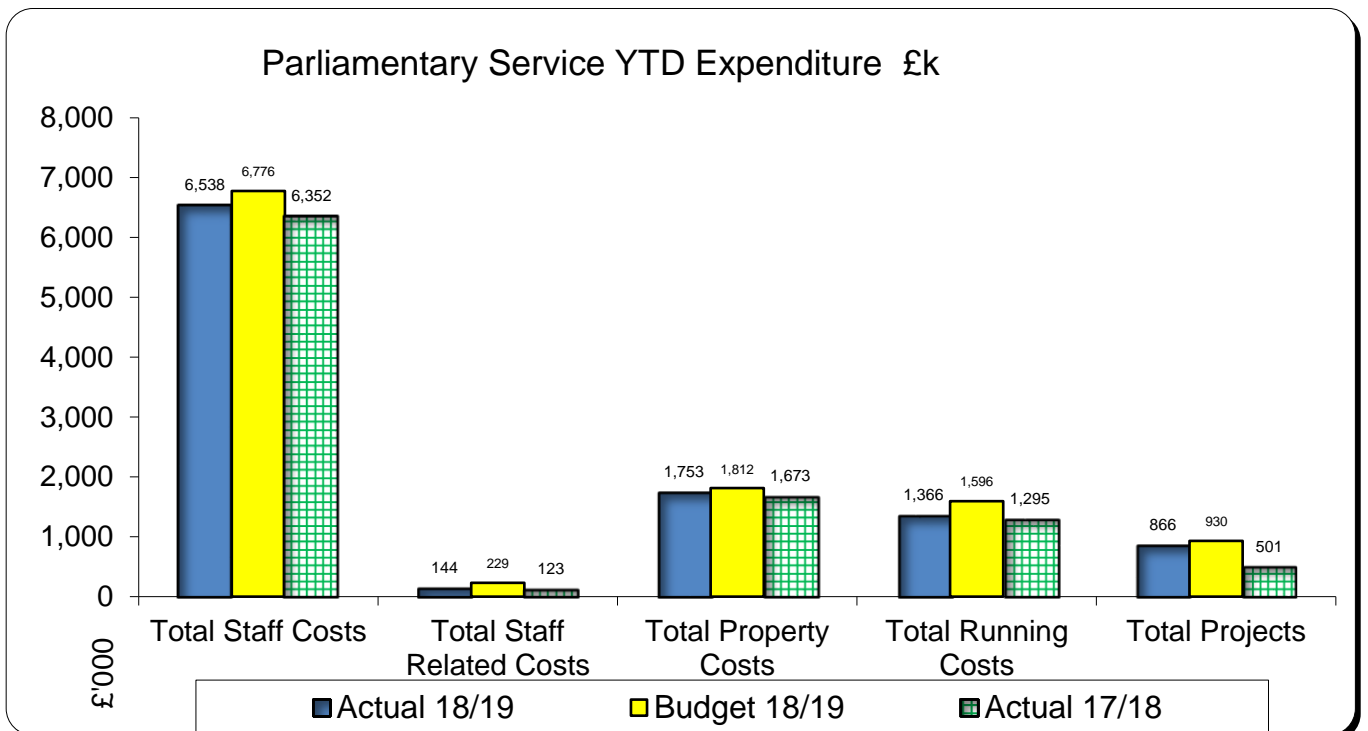
There are some higher expenditure items scheduled to occur in the remaining 9 months of the financial year:

- £1.75m in Officeholders Accommodation relocation project over April – October, with a peak expected in September
- Members' expenses are phased to reflect higher monthly expenditure with a peak expected in the latter part of the year
- Underspend at this stage is due to budget phasing for the Parliamentary Service (SPS). The only budget changes to date are for the SPS and this reflects all changes since the budget was finalised in late 2017.

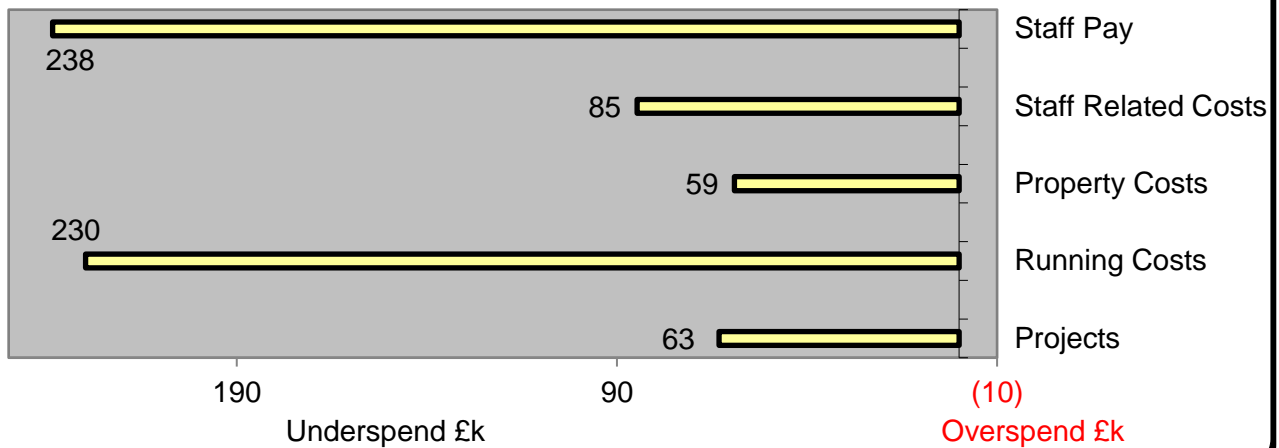


Parliamentary Service Costs (Schedule 2)

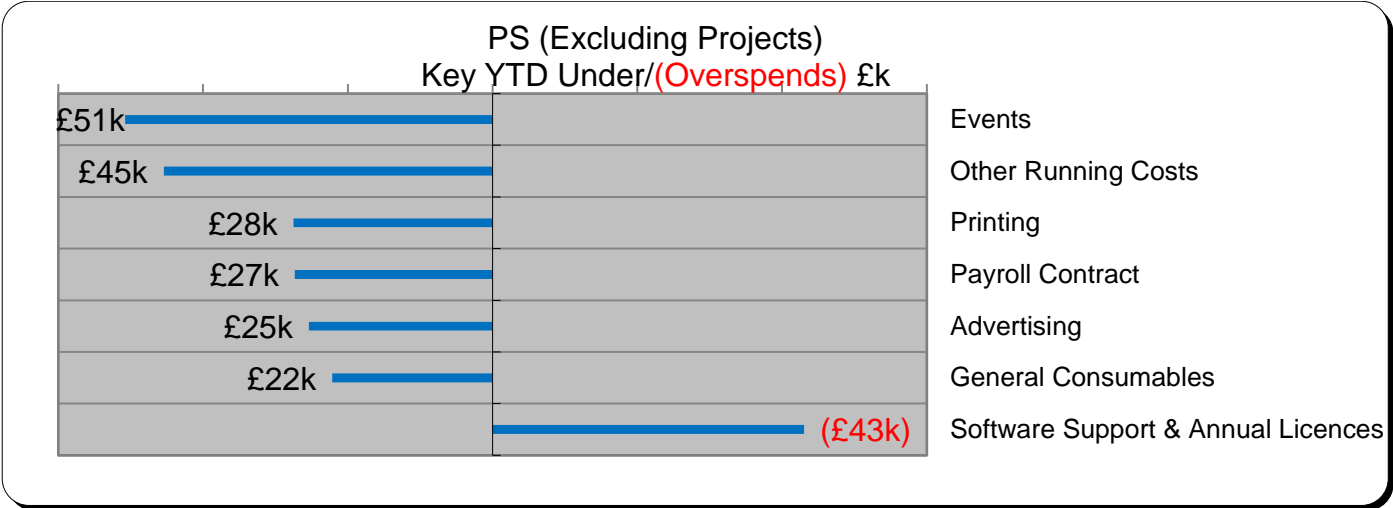
8. The year to date expenditure for the Parliamentary Service (SPS) of £10.7m is £0.6m (6.0%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £9.4m at period 3 was £0.5m (4.8%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.



Parliamentary Service YTD Under & Overspends £k



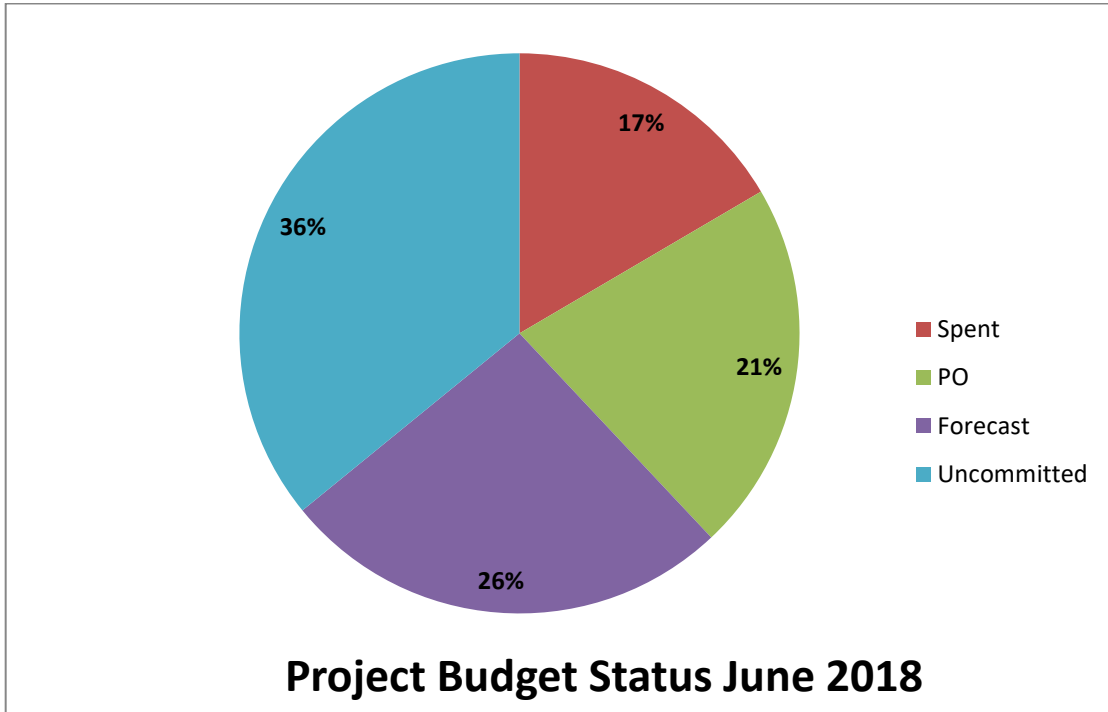
- Staff Pay is reported as £238k (3.5%) under budget including Agency staff and contractors.
- Expenditure on staff pay to date is £6.5m, £186k (3%) higher than the equivalent 17-18 costs.
- Expenditure on Staff Related Costs is £144k. This is £85k (37%) below the budget to date of £229k. Actual spend on staff related costs is £21k (17.4%) more than for the equivalent period in 2017-18. Training (£49k) and Staff Related Other Costs (£19k) make up the biggest elements of the underspend.
- Property Costs of £1.75m are £59k (3.3%) below the Year to Date budget. This is principally attributable to an underspend in maintenance.
- Running Costs of £1.37m are £230k (13%) under budget. Main running cost underspends are in General consumables (£22k), Advertising (£25k), Payroll Contract (£27k), Printing (£28k), Other Running Costs (£45k) and Events (£51k), partly offset by higher expenditure on Software Support & Annual Licences (£43k).



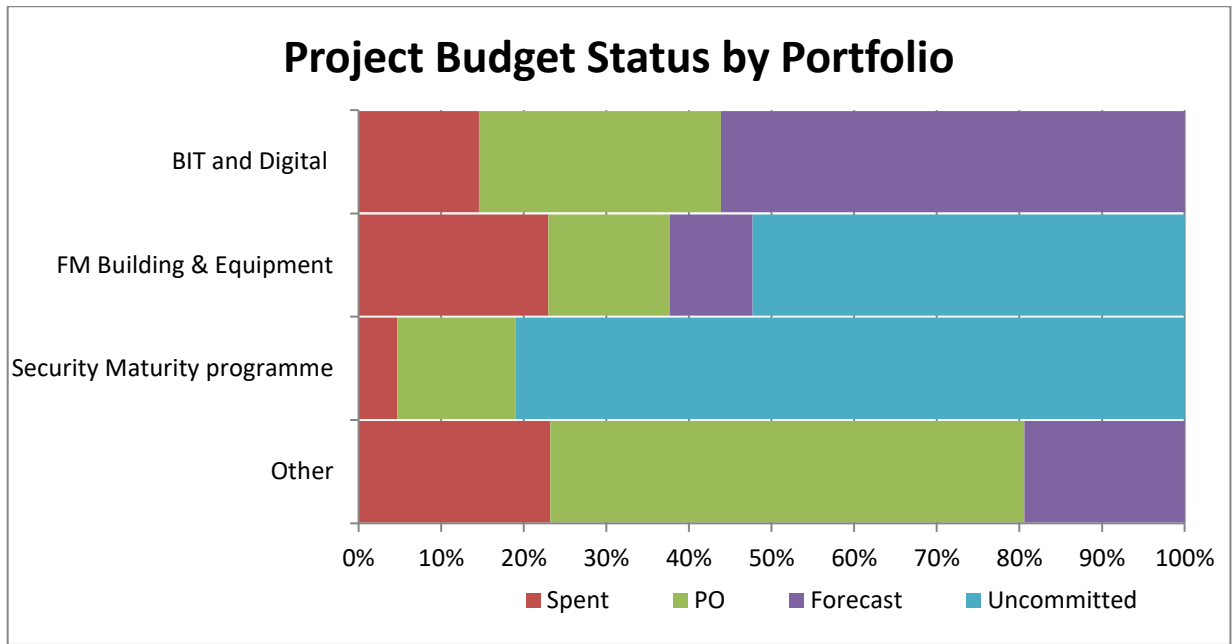
Project Reporting (Schedule 3):

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

- Total project expenditure to June 2018 is £866k, £63k (6.8%) under the year to date budget.
 - Revenue Projects show a total spend of £380k, an underspend of £60k (13.6%) against budget.
 - Capital Projects have spent £486k for the year against a budget of £490k, an underspend of £4k (0.7%). The total spend is mainly due to the Security Systems Replacement project.



This compares with 10.6% spent, 27.2% on purchase orders, 41.5% forecast and 20.7% uncommitted at the same period in 2017-18.



Members' Costs (Schedule 2)

10. Members' costs are analysed in Schedule 2, which shows £7.1m reported cost to June 2017, £67k (1%) higher than the phased year to date budget. (The corresponding figures for 2017-18 at period 3 were an underspend of £51k, 0.7%).

Commissioners & Ombudsman Costs (Schedule 2)

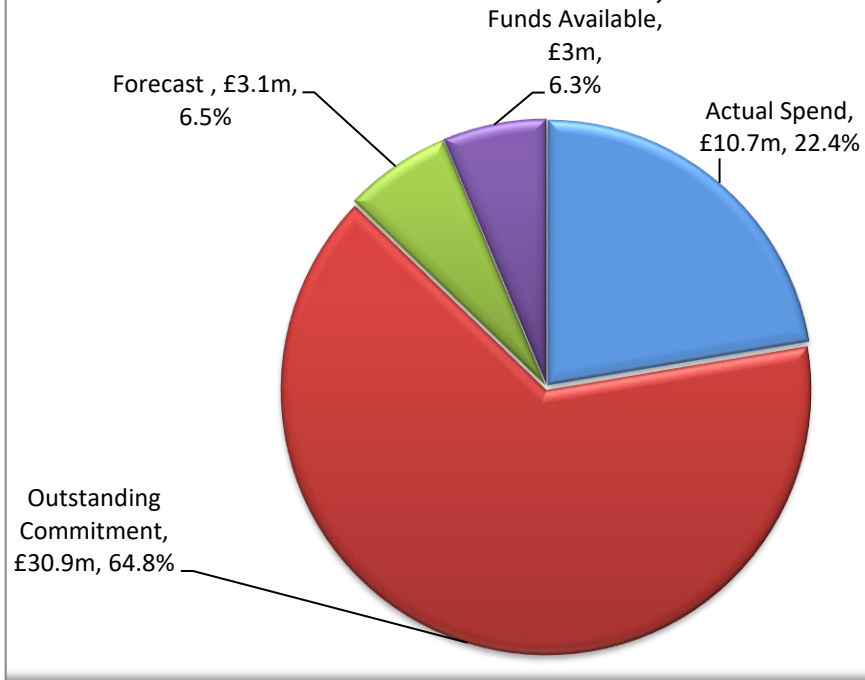
11. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the 3 months of 2018-19 amounts to £2.3m, which is £75k (3.2%) under the year to date budget. The unutilised balance in the Officeholders contingency is £300k. £43k has been transferred from Officeholders budget to central contingency in respect of GDPR services.

Central Contingency

12. The central contingency has decreased by £406k in period 3 from £1,162k to £756k. The main movements from contingency are for the Security System Replacement (£281k), funding for the culture of respect project (£120k) Lobbying Register additional staff (£20k) and HR corporate training (£28k). This is offset by the transfer to contingency by Officeholders in respect to GDPR (£43k)

13. Commitment

PS Committed Funds as at June 2018: £m,%



This compares with 22% spend, outstanding commitment 57%, forecast 17% and funds available of 4% as at June 2017-18.