

## SPCB FINANCE REPORT Period 6 – September 2018

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

### 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>4.3%</b>	Para 8
c) Total project expenditure	<b>3.7%</b>	Para 9
<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 4

Key: RAG Status



Performance within target range



Performance outwith target range but acceptable



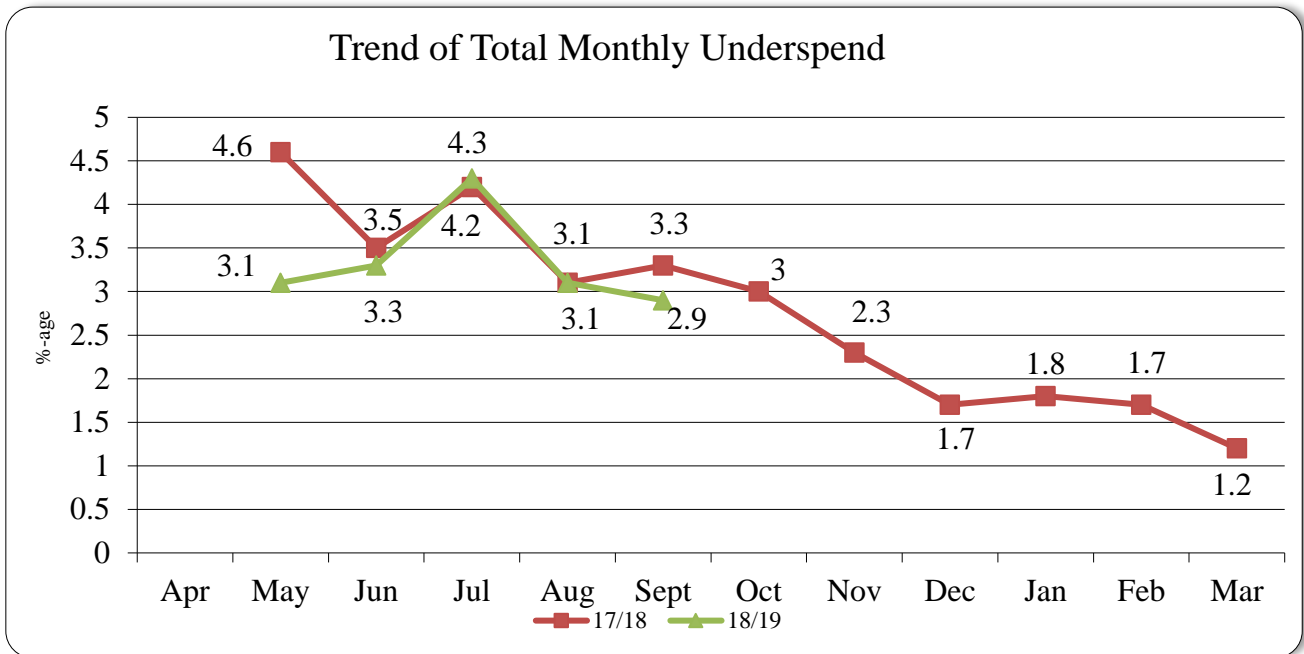
Performance outwith target range not acceptable

### Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure for the first six months of 2018-19 of £41.2m represents an underspend against budget of £1.2m (2.9%) which is within the SPCB's target range of 0% to 5.0% (as shown in green in the Executive Summary chart). The comparable 2017-18 position was expenditure of £39.4m which represented an underspend against budget of £1.3m (3.3%).
3. There was a net £208k increase in central contingency in September from £664k to £872k.
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 97.6% for the year to date.
5. The 2017-18 year-end accounts process is now complete with the accounts published on 27 September 2018.

## Financial Results

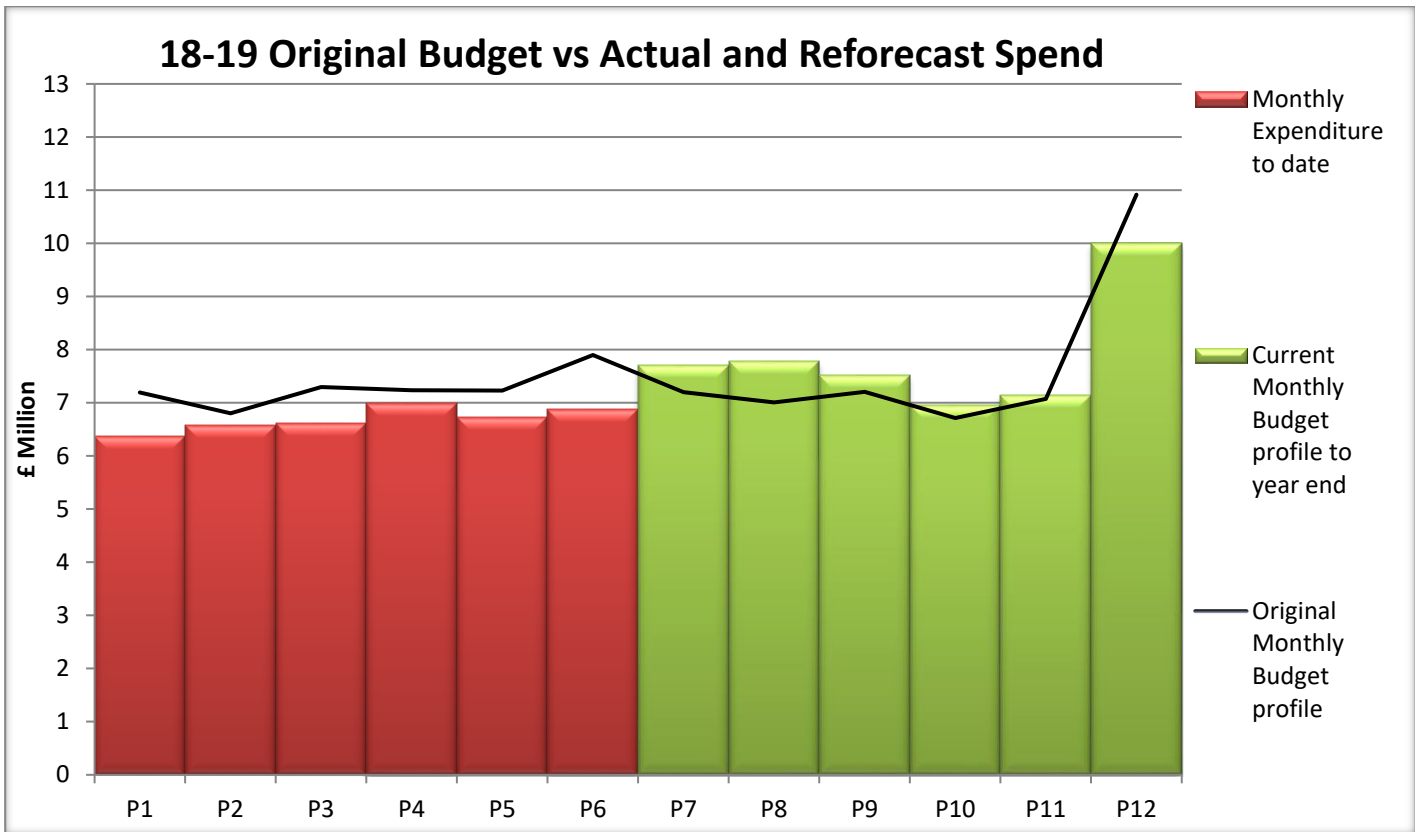
6. The SPCB's total revenue and capital expenditure per Schedule 1 for September 2018 is £41.2m, which is £1.2m (2.9%) under the approved year to date budget of £42.4m.



7. The table below shows actual monthly expenditure (red) up to the end of September and the current reforecast monthly expenditure (green) for the remaining 6 months of the year. The original monthly budget profile is shown by the black line.

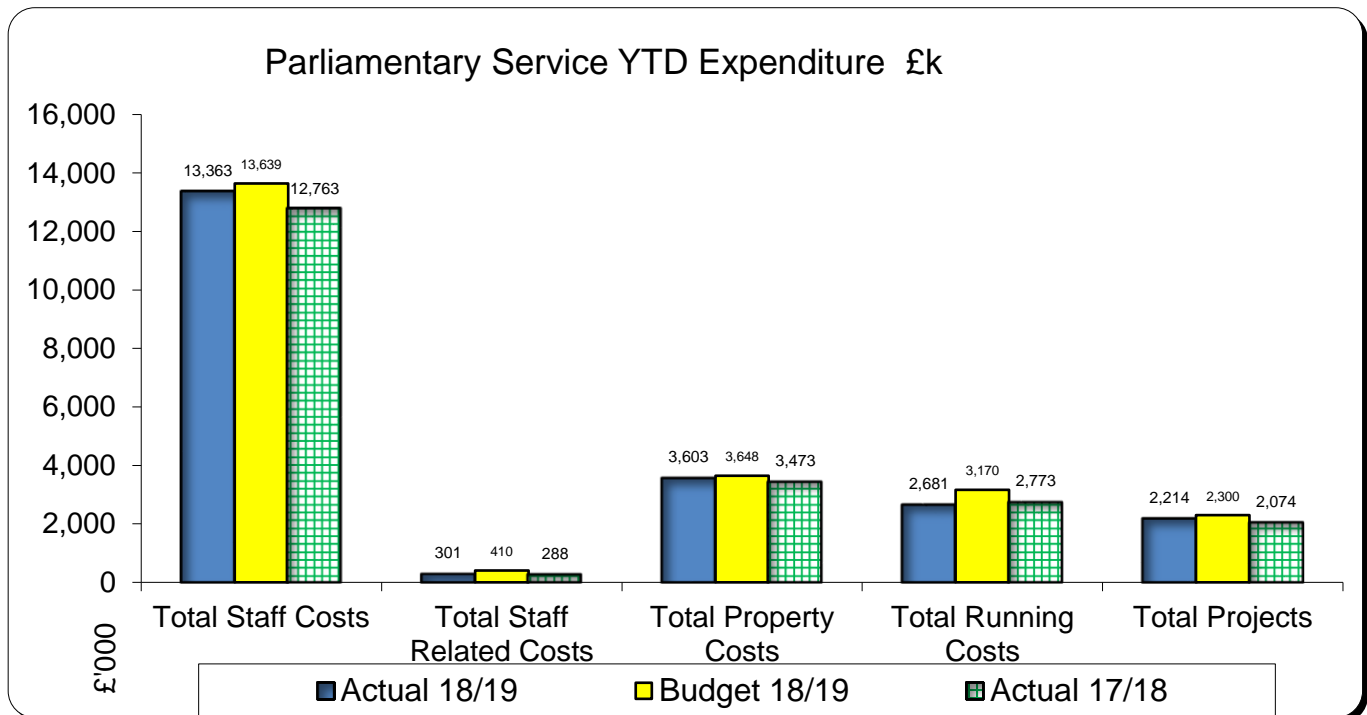
There are some higher expenditure items scheduled to occur in the remaining 6 months of the financial year:

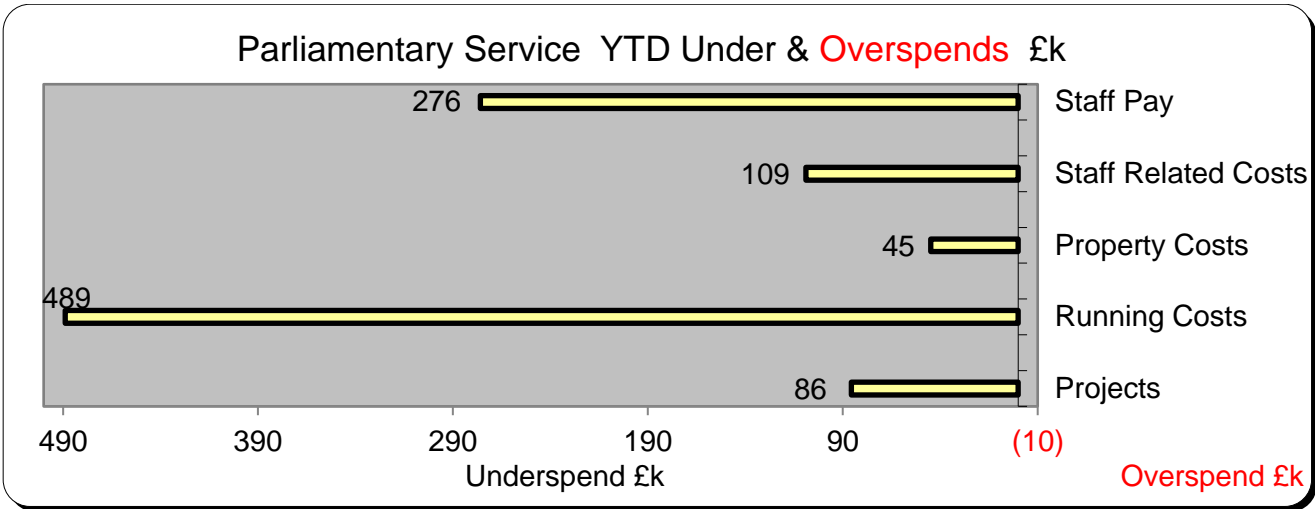
- £1.75m in Officeholders Accommodation relocation project over April – January, with a peak expected in October, November and December
- Members' expenses are phased to reflect higher monthly expenditure with a peak expected in the later part of the year
- Underspend at this stage is due to budget phasing 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.



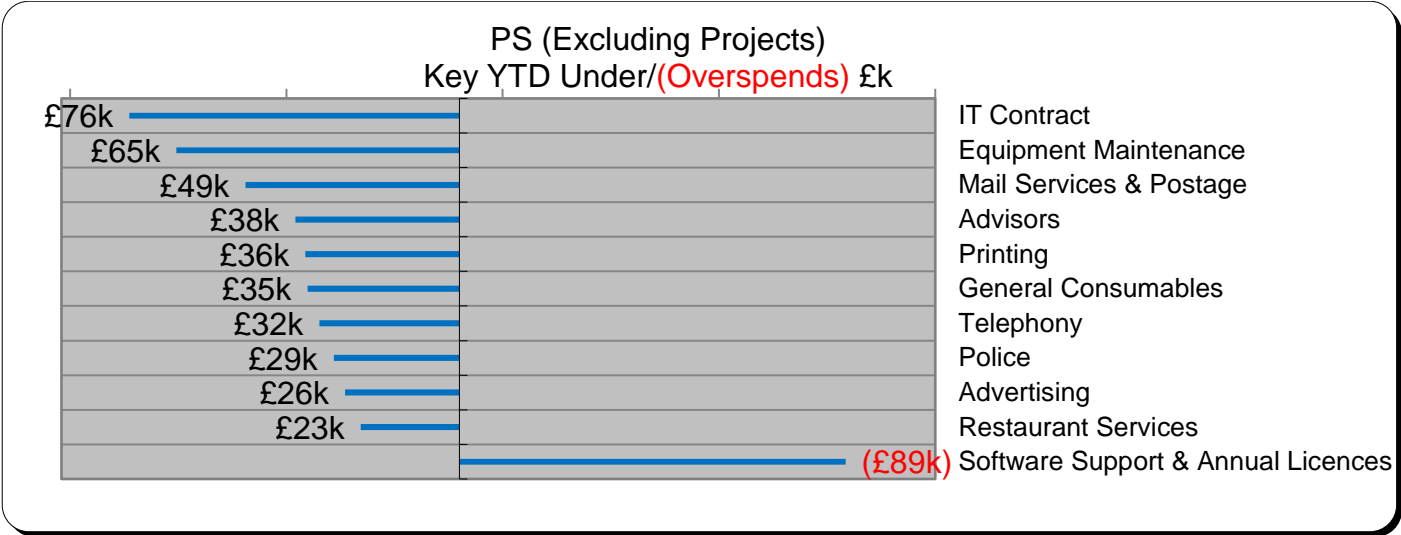
### Parliamentary Service Costs (Schedule 2)

8. The year to date expenditure for the Parliamentary Service (SPS) of £22.2m is £1.0m (4.3%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £21.4m at period 6 was £0.7m (3.1%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.





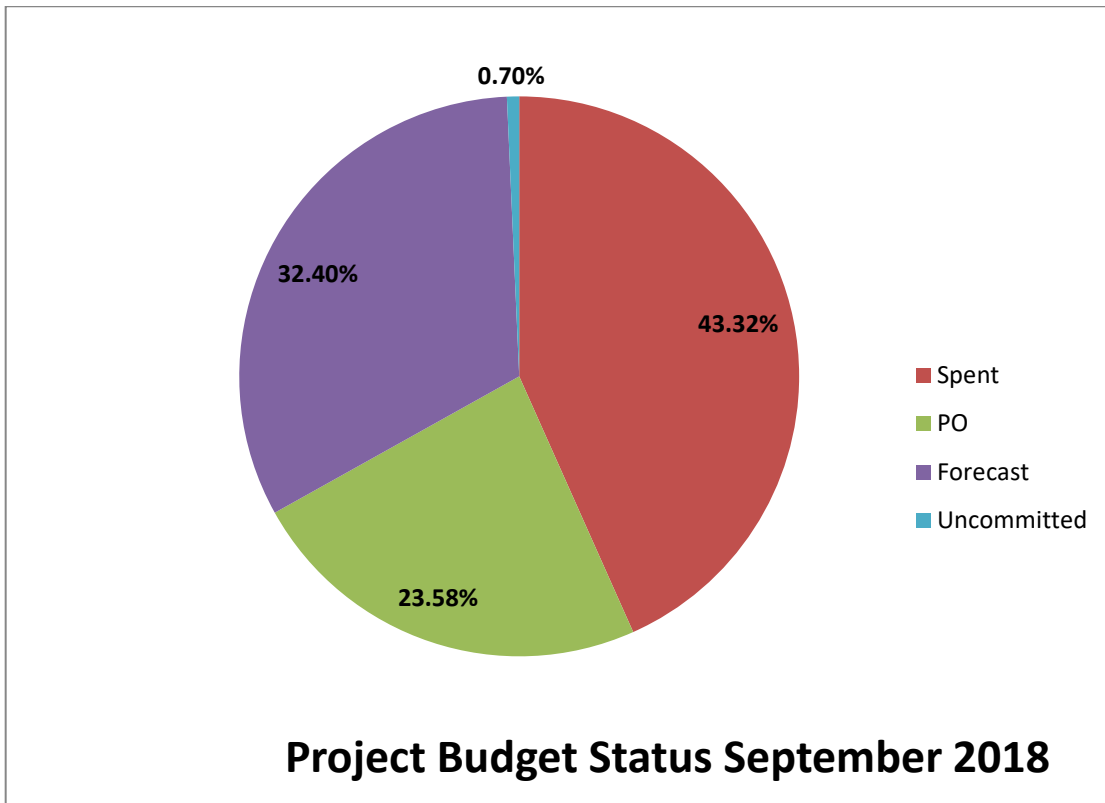
- Staff Pay is reported as £276k (2.0%) under budget including Agency staff and contractors. Staff turnover and the associated vacancies have exceeded the budgeted vacancy assumption in the first six months of the year. Accordingly, £180k of staff pay budget was transferred to contingency in period 6 and this is reflected in the above figure.
- The expenditure on staff pay to date of £13.4m is £600k (4.7%) higher than the equivalent 17-18 costs.
- Expenditure on Staff Related Costs is £301k. This is £109k (26.6%) below the budget to date of £410k. Actual spend on staff related costs is £12.7k (4.4%) more than for the equivalent period in 2017-18. Travel and Expenses (£39k), Training (£37k) and Childcare Vouchers (£22k) make up the biggest elements of the underspend.
- Property Costs of £3.6m are £45k (1.2%) below the Year to Date budget. This is principally attributable to an underspend in maintenance (£112k) offset by higher expenditure for Property Advisors (£29k).
- Running Costs of £2.7m are £489k (14.4%) under budget. Main running cost underspends are in IT Contract (£76k), Equipment Maintenance (£65k), Mail Services and Postage (£49k), Advisors (£38k), Printing (£36k), General Consumables (£35k), Telephony (£32k), Police (£29k), Advertising (£26k) and Restaurant Services (£23k), partly offset by higher expenditure on Software Support and Annual Licences (£89k).



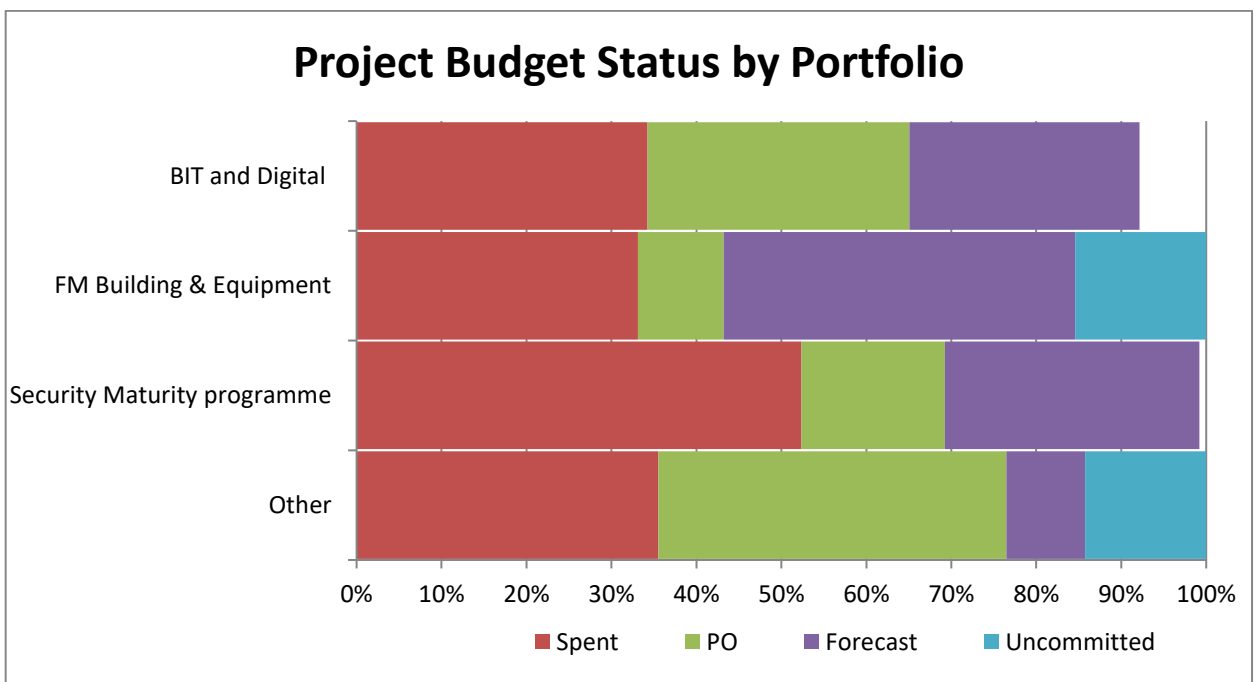
**Project Reporting (Schedule 3):**

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

- Total project expenditure to September 2018 is £2.2m, £86k (3.7%) under the year to date budget.
  - Revenue Projects show a total spend of £1.2m, an underspend of £79k (6.2%) against the phased budget of £1.28m.
  - Capital Projects have spent £1.013m for the year to date, representing an underspend of £7k (0.6%) against the phased budget of £1.02m. The expenditure is mainly in respect of the Security Systems Replacement project.
  - Currently, a net potential underspend of £36k (0.7%) is being forecast in projects.



This compares with 37.8% spent, 16.7% on purchase orders, 44% forecast and 1.5% uncommitted at the same period in 2017-18.



## Members' Costs (Schedule 2)

10. Members' costs are analysed in Schedule 2, which shows £14.2m reported cost to September 2018, £33k (0.2%) lower than the phased year to date budget. (The corresponding figures for 2017-18 at period 6 were expenditure of £13.7m with an underspend of £277k, (2%).

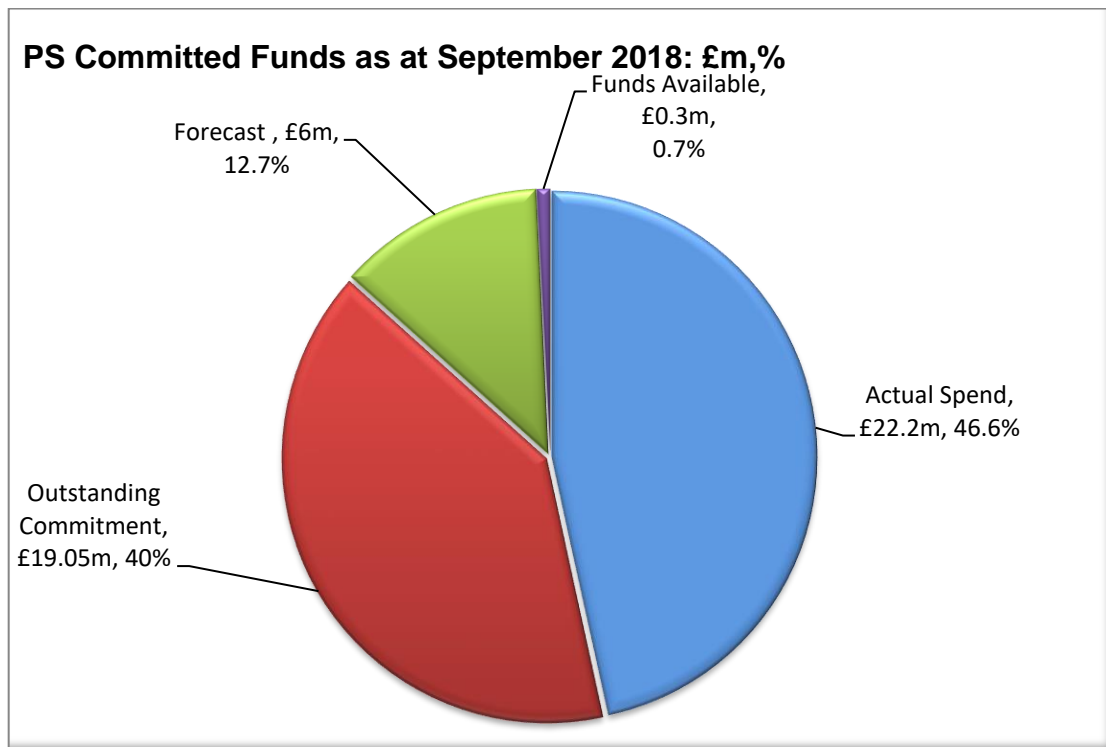
## Commissioners & Ombudsman Costs (Schedule 2)

11. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the 6 months of 2018-19 amounts to £4.8m, which is £217k (4.4%) under the year to date budget. The underspend in the Officeholders Accommodation project is £104k and is due to timing differences. The unutilised balance in the Officeholders contingency is £300k.

## Central Contingency

12. The central contingency has increased by £208k in period 6 from £664k to £872k. This is mainly due to transfers from salary underspends (£180k) and transfers from non-staff costs (£47k) offset by a transfer of £18k to fund extra staffing resource in Information Management.

## 13. Commitment



This compares with 46.6% spend, outstanding commitment 41.8%, forecast 11.6% and funds available of 0.1% as at September 2017-18.