

**SPCB FINANCE REPORT
Period 9 – December 2017**

1. This report is to inform SPCB of general financial activity and expenditure trends in 2017-18.

Executive Summary

Performance against Budget (year to date variance)		
a) Total SPCB revenue and capital expenditure	1.7%	Para 2 & 5
b) Total SPS expenditure	1.3%	Para 6
c) Total project expenditure	(0.3)%	Para 7
Operation of Financial Controls		
d) Key reconciliations up to date	100%	Para 4
Other Key Indicators		
e) Payment performance	99.2%	Para 4

Key: RAG Status



Performance within target range



Performance outwith target range but acceptable



Performance outwith target range not acceptable

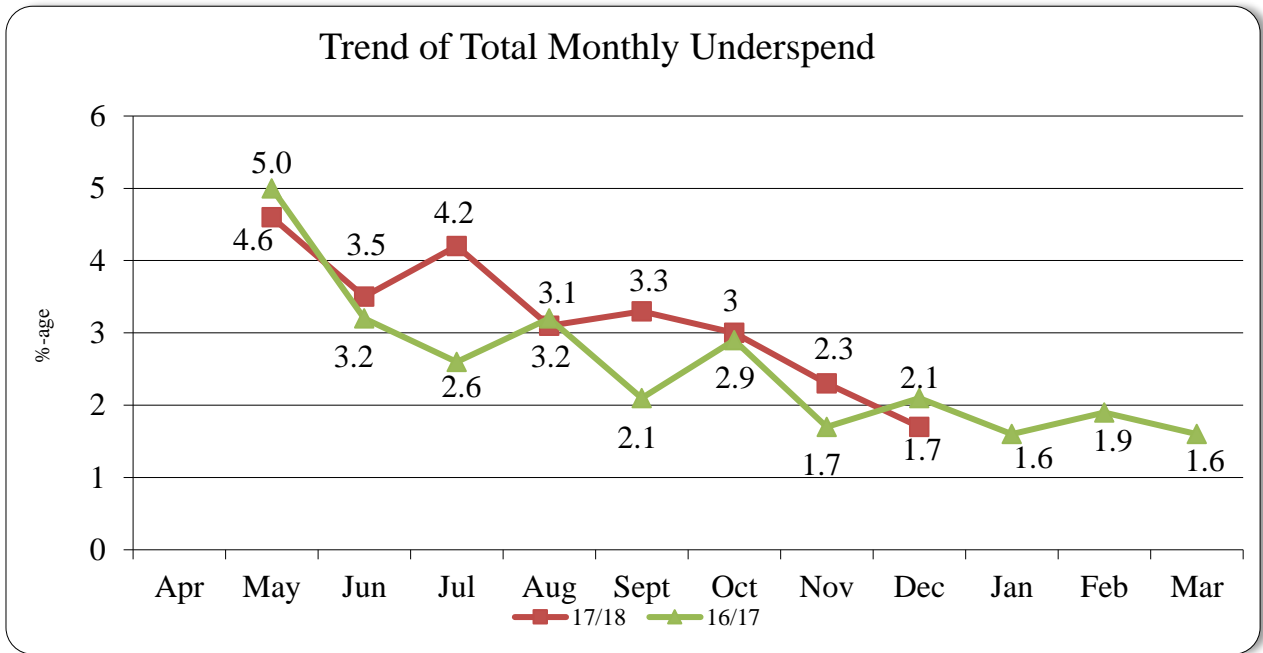
Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure for the first 9 months of 2017-18 of £59.9m represents an underspend against budget of £1.1m (1.7%) which is within the SPCB's target range of 0% to 2.5% under budget at this stage of the financial year (as shown in green in the Executive Summary chart). The comparable position for the first 9 months of 2016-17 was expenditure of £60.1m which represented an underspend against budget of £1.3m (2.1%).
3. The SPCB's central contingency remains unchanged at £81k. At its November meeting, the Strategic Resources Board authorised further project expenditure of up to £595k for FM and Broadcasting from anticipated underspends in other areas in the SPCB budget.
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 97.2% for the year to date.

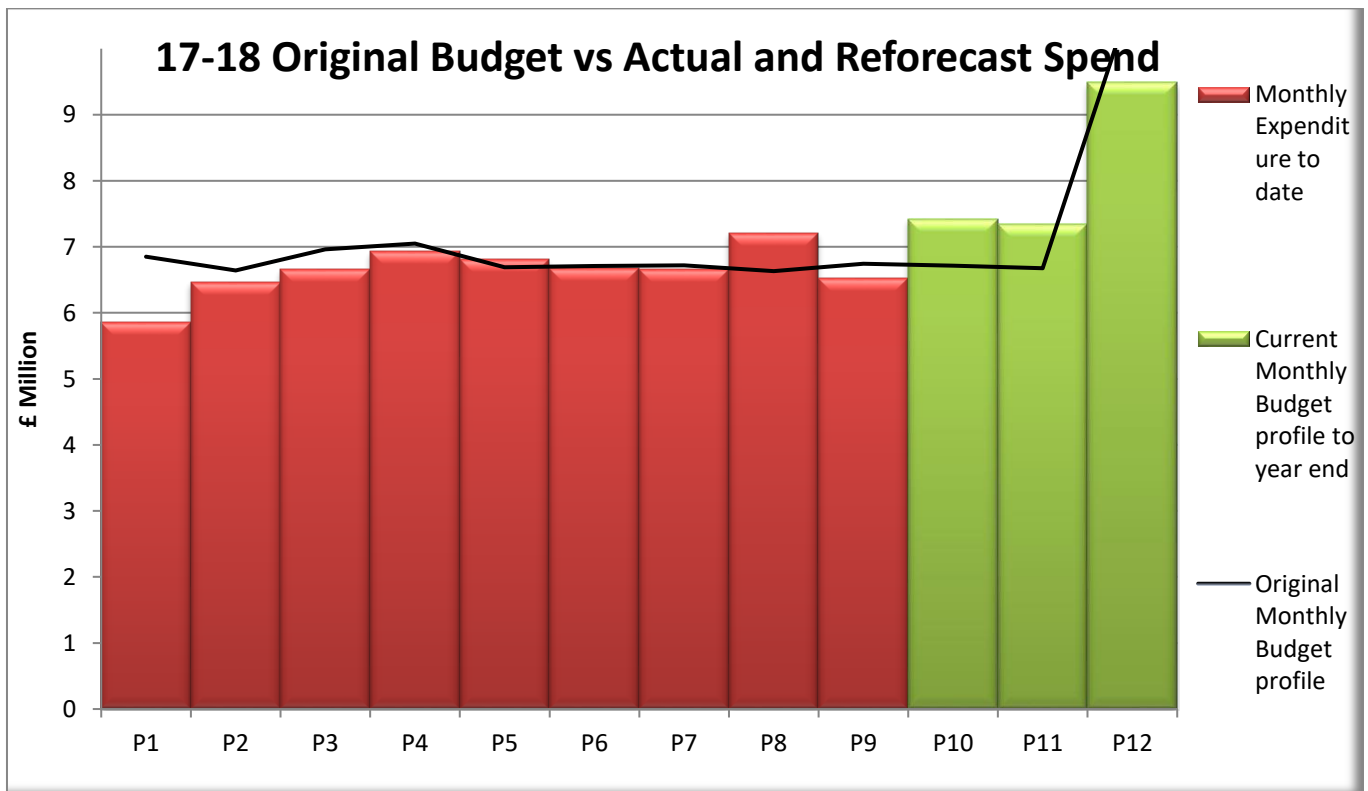
Financial Results

5. The SPCB's total revenue and capital expenditure per Schedule 1 for December 2017 is £59.9m, which is £1.1m (1.7%) under the approved year to

date budget of £60.9m. This compares with the underspend for December 2016 of £1.3m (2.1%).



The table below shows actual monthly expenditure (red) up to the end of December and the current reforecast monthly expenditure (green) for the remaining 3 months of the year. The original monthly budget profile is shown by the black line.



Actual expenditure in the first 9 months of 2017 was £1.2m higher than originally planned at the start of the year. The chart also shows that £9.5m is planned or forecast to be spent in period 12, which represents a £2.1m

increase over the average monthly amount currently planned for the preceding three months. The increase includes:-

- £0.8m increase in project expenditure.
- £0.3m in respect of the SPCB's central contingency (£81k) and Officeholders' contingency (£195k).
- £0.5m in respect of SPS running costs and Officeholder costs.
- £0.5m in respect of Members' expenses which are phased to reflect higher monthly expenditure in the final quarter of the year.

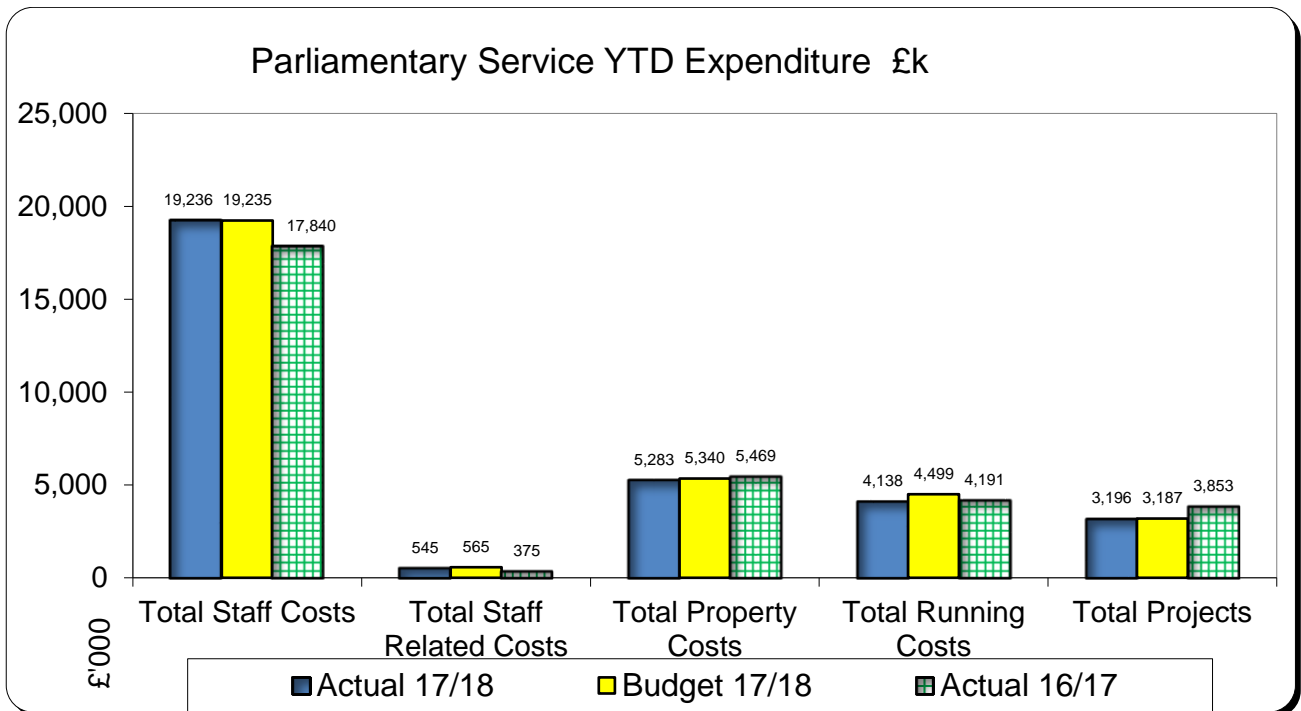
We anticipate that further budget rephasing, particularly by FM projects from period 12 to earlier periods will take place in the remaining months, with some of the work planned for February recess.

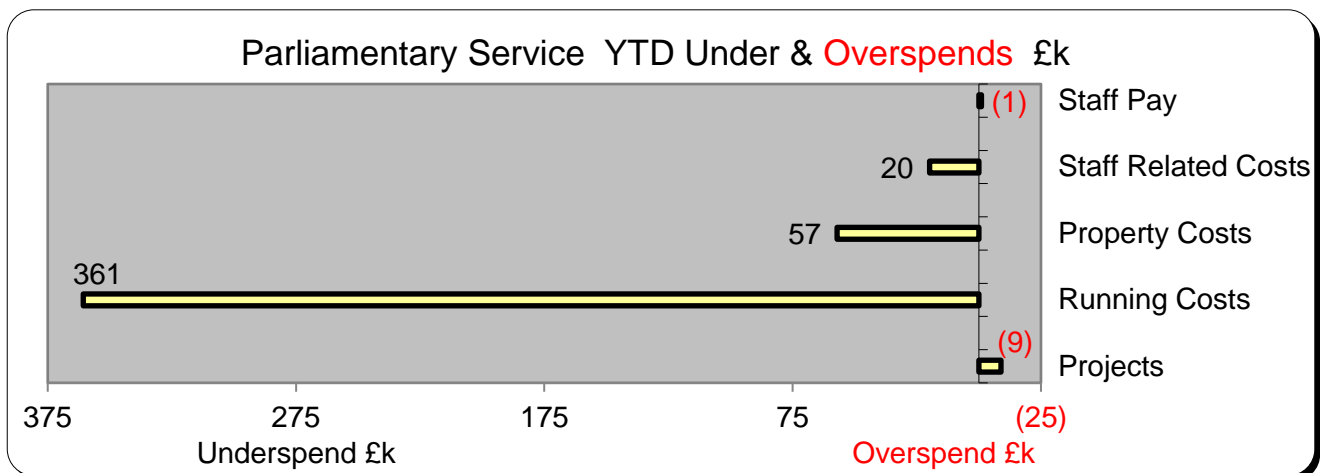
Parliamentary Service Costs (Schedule 2)

6. The year to date expenditure for the Parliamentary Service (SPS) of £32.4m is £0.4m (1.3%) under budget.

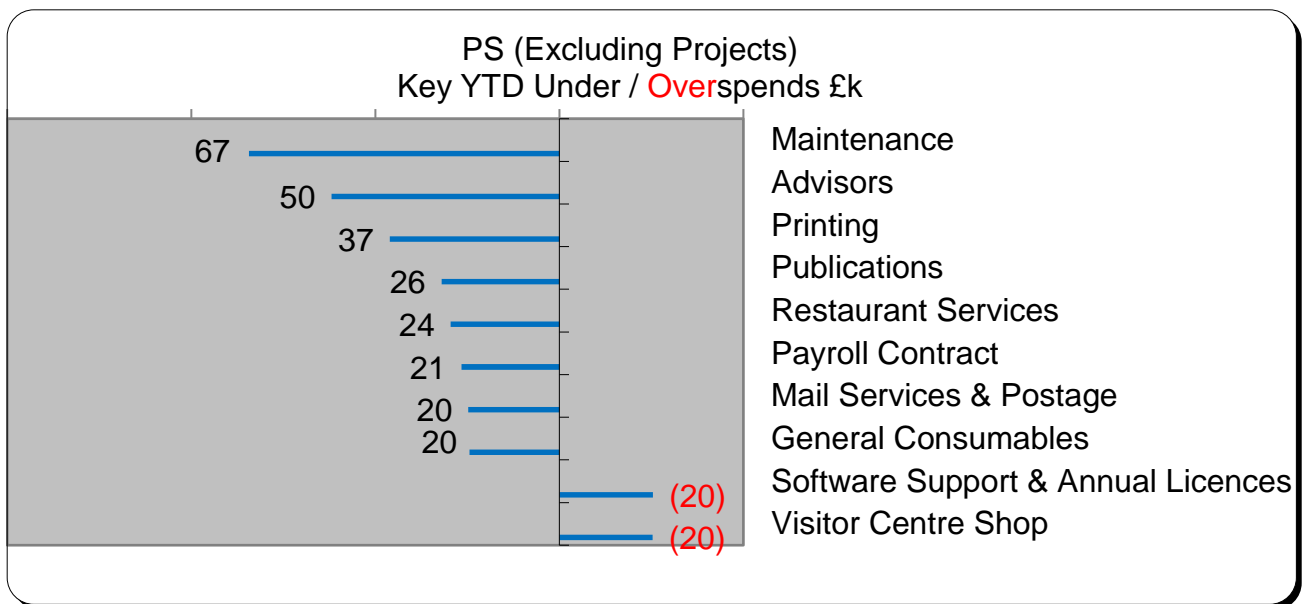
Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £31.7m at period 9 was £0.4m (1.4%) below budget.

An analysis of the current financial year by main category of expenditure is shown in the two charts below. Property costs, Running costs and Projects are showing a lower expenditure to date compared to 16-17.





- Staff Pay (including Agency staff, overtime and contractors) is £1k (0%) higher than budget for the year to date.
- Expenditure on staff pay to date is £19.2m, £1.4m (7.9%) higher than the equivalent 16-17 costs of £17.8m. This increase is due to approved additional staff for BIT, staff for the Register of Lobbyists, and to resource Further Powers in Committee and Spice.
- Expenditure on Staff Related Costs is £545k. This is £20k (3.5%) below the budget to date of £565k. Actual spend on staff related costs is £170k (45%) higher than that for the equivalent period in 2016-17. Travel and Expenses are overspent by £24k. Corporate and job related training are underspent by £5k.
- Property Costs of £5.3m are £57k (1.1%) below the Year to Date budget. This is in part due to an underspend of £67k in property maintenance offset by an £18k overspend in property advisors.
- Running Costs of £4.1m are £361k (8%) under budget. Key underspends are Maintenance (£67k), Advisors (£50k), Printing (£37k), Publications (£26k), Restaurant Services (£24k), Payroll Contract (£21k), Mail Services & Postage (£20k) and General Consumables (£20k). Overspends in Software Support (£20k) and Visitor Centre Shop (£20k) are due to budget phasing.

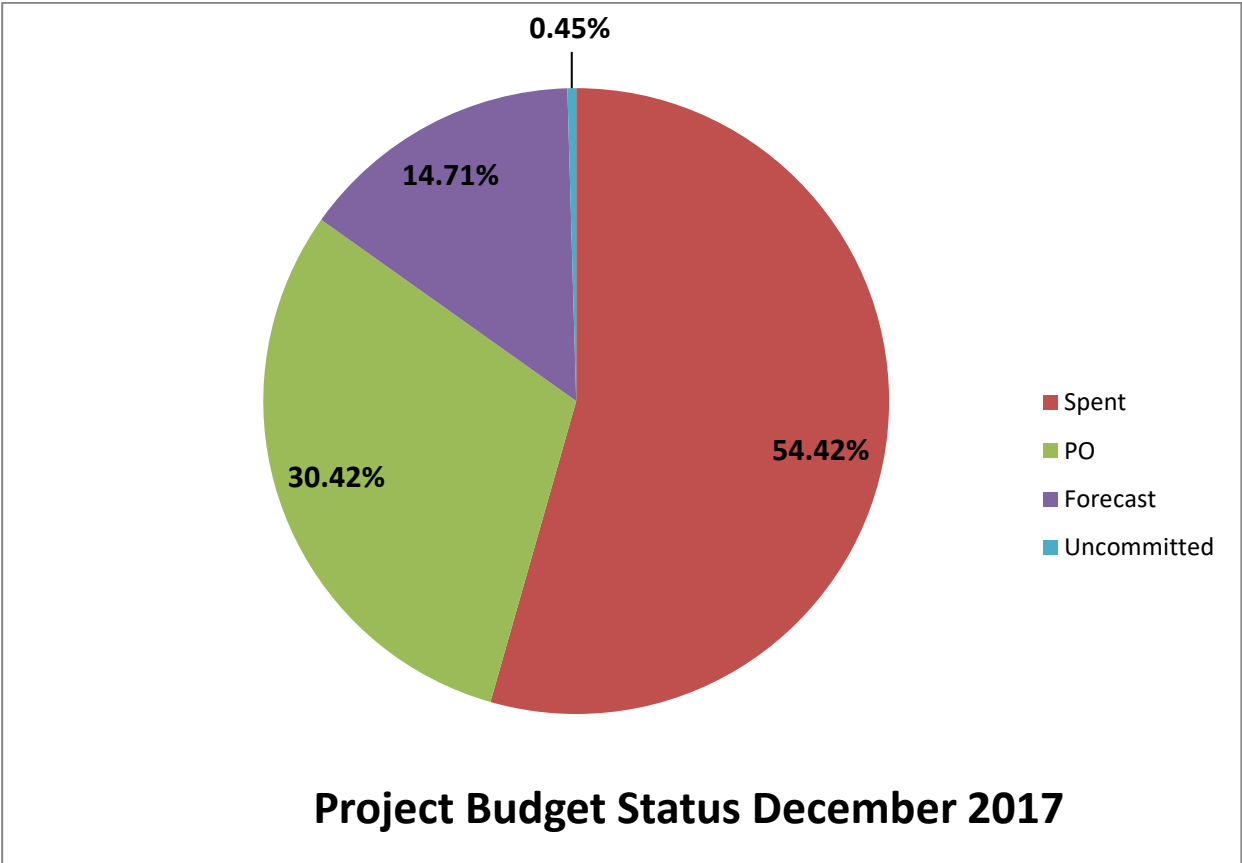


Project Reporting (Schedule 3):

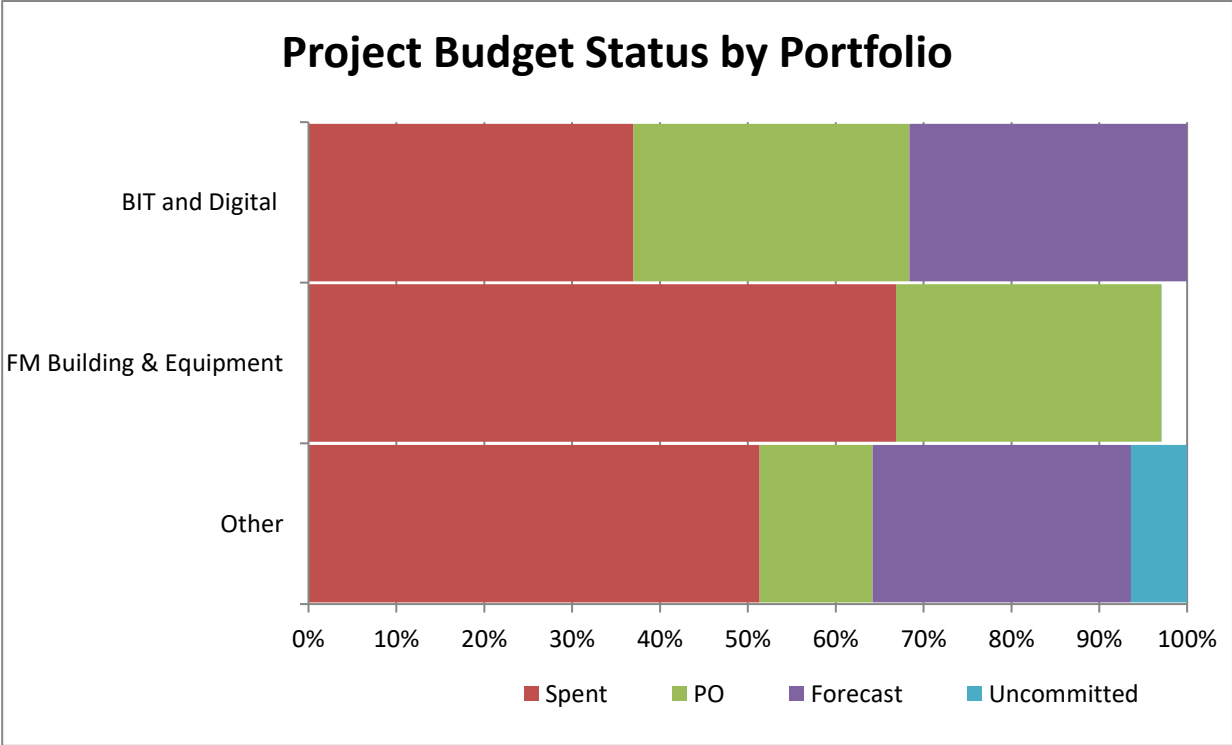
7. Schedule 3 shows project spend by category of project.

Total project expenditure to December 2017 is £3.2m, £9k (0.3%) over the year to date budget.

- Revenue Projects show a total spend of £1.9m, an underspend of £16k (0.8%). Only 54% of the annual revenue project budget has been spent to date with the remainder phased for later in the year. Digital has spent 37% of their annual budget of £2.6m. Facilities Management received in September and November authorisation for additional project expenditure of up to £476k. Most of this work is planned for winter and February recess.
- Capital Projects have spent £1.27m for the year against a budget of £1.24m, an overspend of £25k (2.0%). 96.1% of the annual capital project budget has been spent.



This compares with 61.5% spent, 11.1% on purchase orders, 18.7% forecast and 8.6% uncommitted at the same time in 2016-17. Digital Services has now committed its entire unallocated project budget, but to date has spent only £1m (37%) of the £2.6m full year budget.



Members' Costs (Schedule 2)

8. Members' costs are analysed in Schedule 2, which shows £20.8m expenditure to December 2017, £578k (2.7%) underspent against the year to date budget. (The corresponding figures for 2016-17 at period 9 show an underspend of £739k (3.2%), although these are not directly comparable due to the impact of election related costs in last year's figures).

Commissioners & Ombudsman Costs (Schedule 2)

9. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) as at December 2017 is £6.7m, which is £49k (0.7%) under the year to date budget. Officeholders' contingency was reduced to £195k and re-phasing reflected in the period 9 figures.

Central Contingency

10. The SPCB's central contingency has remained unchanged at £81k. SRB at its meeting on 24 November 2017 authorised potential additional expenditure on FM projects (£446k) and Broadcast equipment (£149k) to be funded by anticipated areas of underspend elsewhere within the SPCB's budget.

Commitment

11. The current year commitment position compares with 70.4% spend, outstanding commitment 20.4%, forecast 7.9% and funds available of 1.3% as at December 2016.

PS Committed Funds as at December 2017: £m,%

