

SPCB FINANCE REPORT Period 9 – December 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	2.0%	Para 2 & 5
b) Total SPS expenditure	2.1%	Para 7
c) Total project expenditure	0.9%	Para 8
Operation of Financial Controls		
d) Key reconciliations up to date	100%	Para 4
Other Key Indicators		
e) Payment performance	99.0%	Para 4

Key: RAG Status

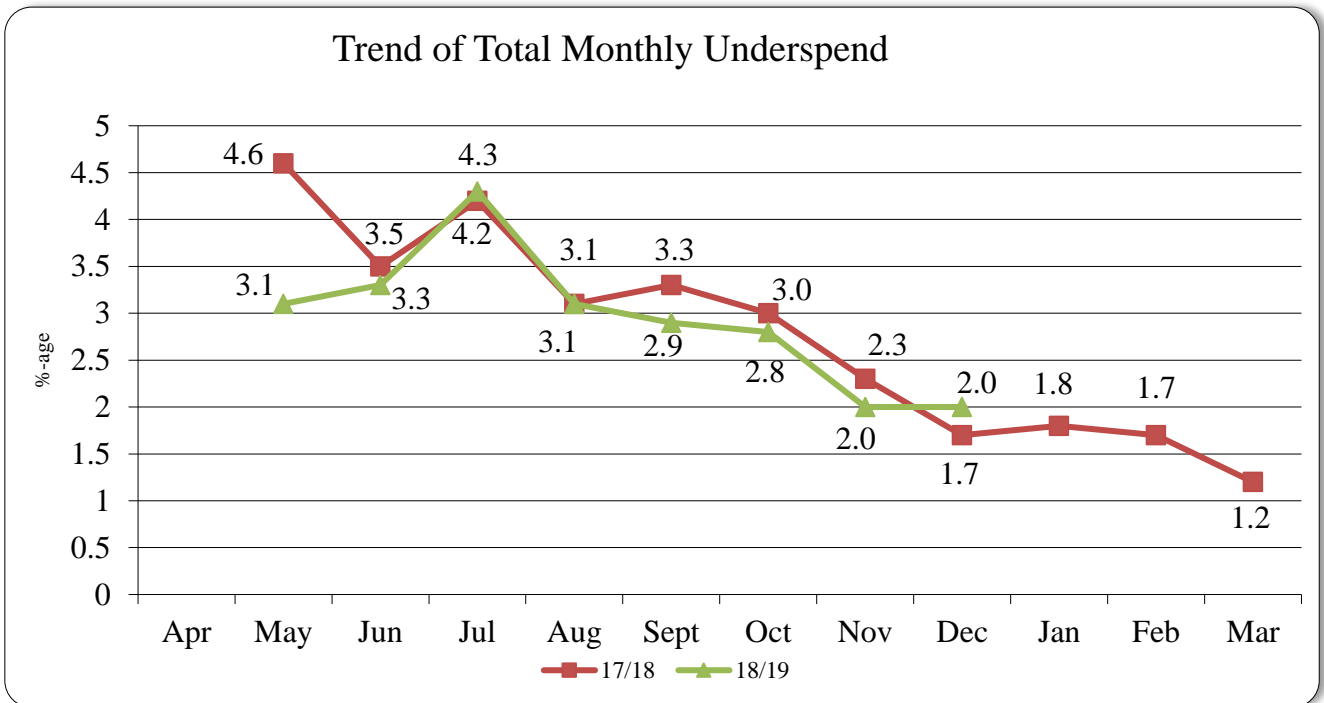
G	Performance within target range
A	Performance outwith target range but acceptable
R	Performance outwith target range not acceptable

Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure for the first nine months of 2018-19 of £63.5m represents an underspend against budget of £1.3m (2.0%) which is within the SPCB's target range of 0% to 2.5% (as shown in green in the Executive Summary chart). The comparable 2017-18 position was expenditure of £59.9m which represented an underspend against budget of £1.1m (1.7%).
3. There was a net decrease of £211k in the SPCB's central contingency from £717k to £506k in December and this is reflected in the period 9 figures.
4. All key reconciliations are up to date. Payment performance within contract terms for the year to date meets the 99% target. The equivalent figure for payment within 10 days is 97.8% for the year to date.

Financial Results

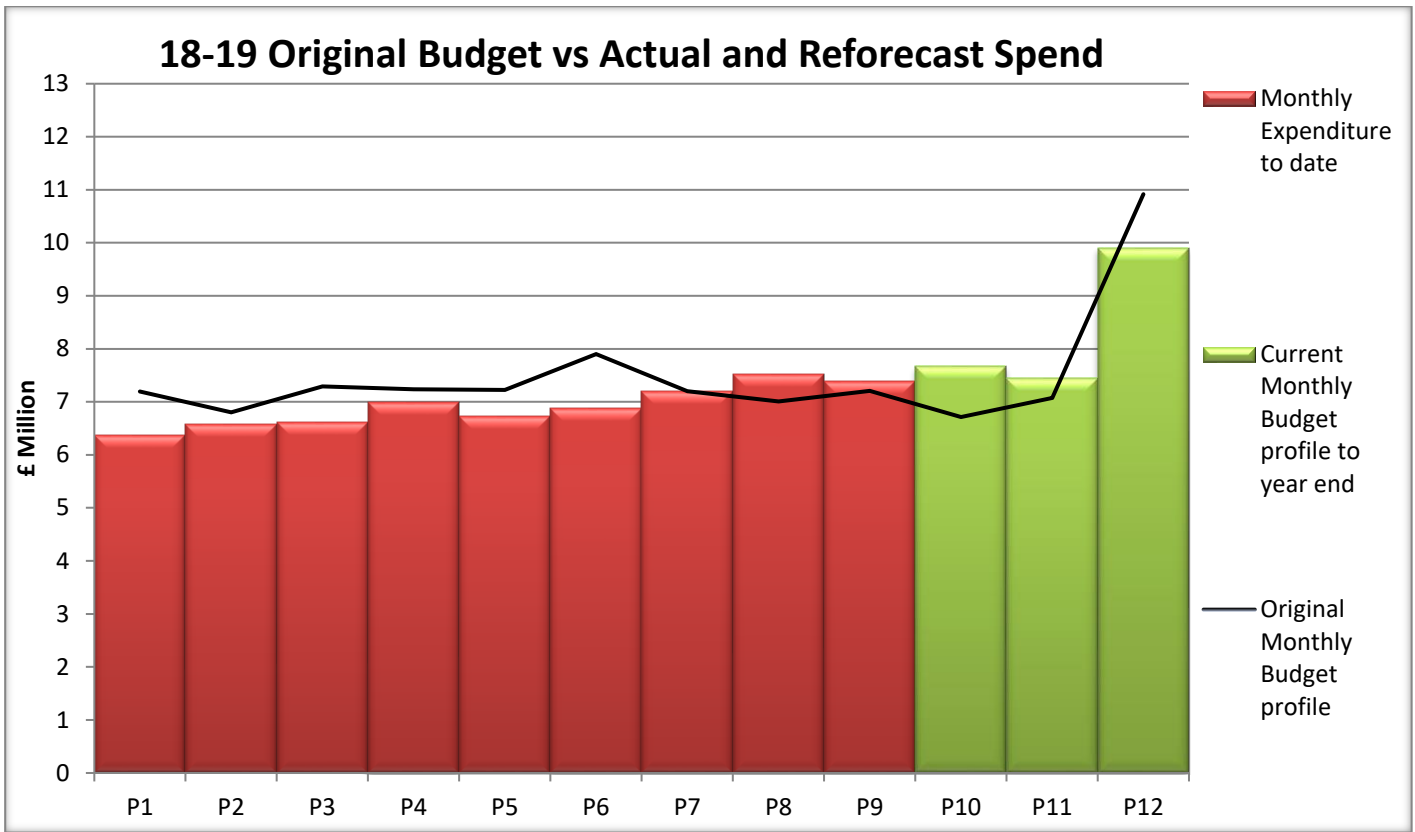
5. The SPCB's total revenue and capital expenditure per Schedule 1 for December 2018 is £63.5m, which is £1.3m (2.0%) under the approved year to date budget of £64.8m.



6. 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.

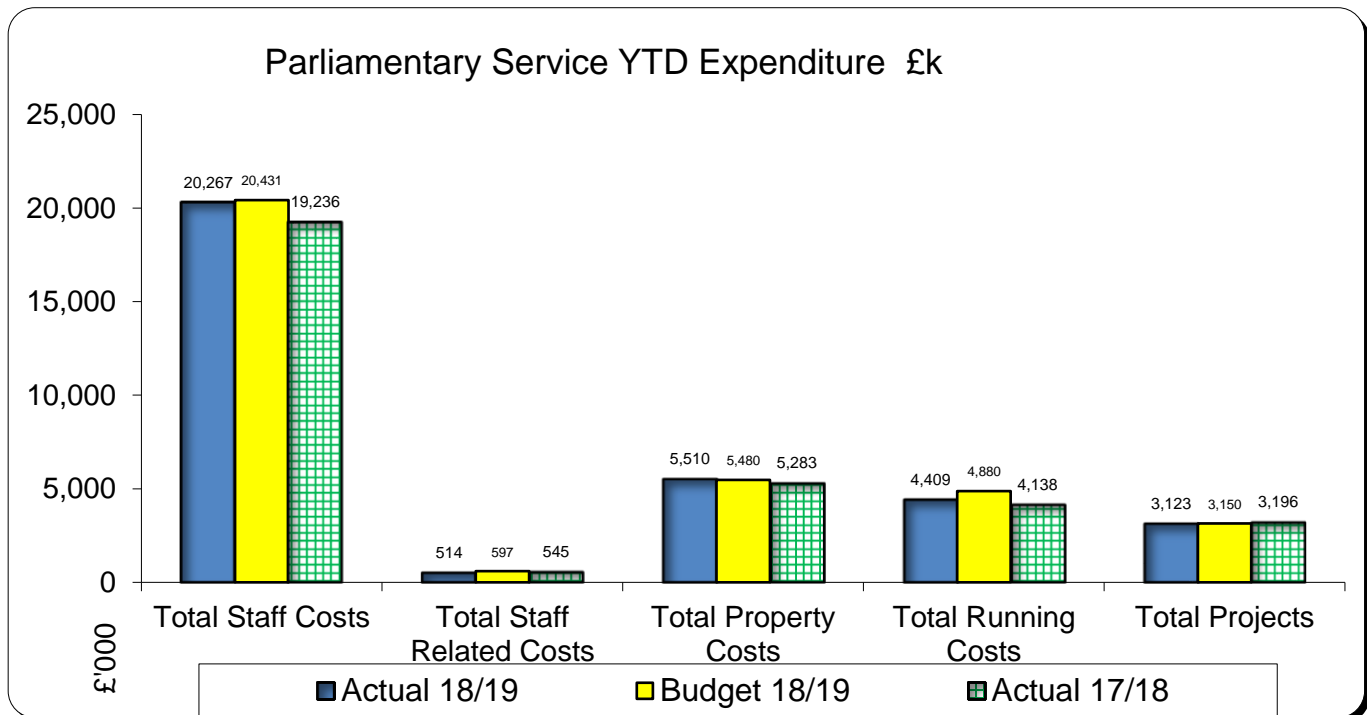
There are some higher expenditure items scheduled to occur in the remaining 3 months of the financial year:

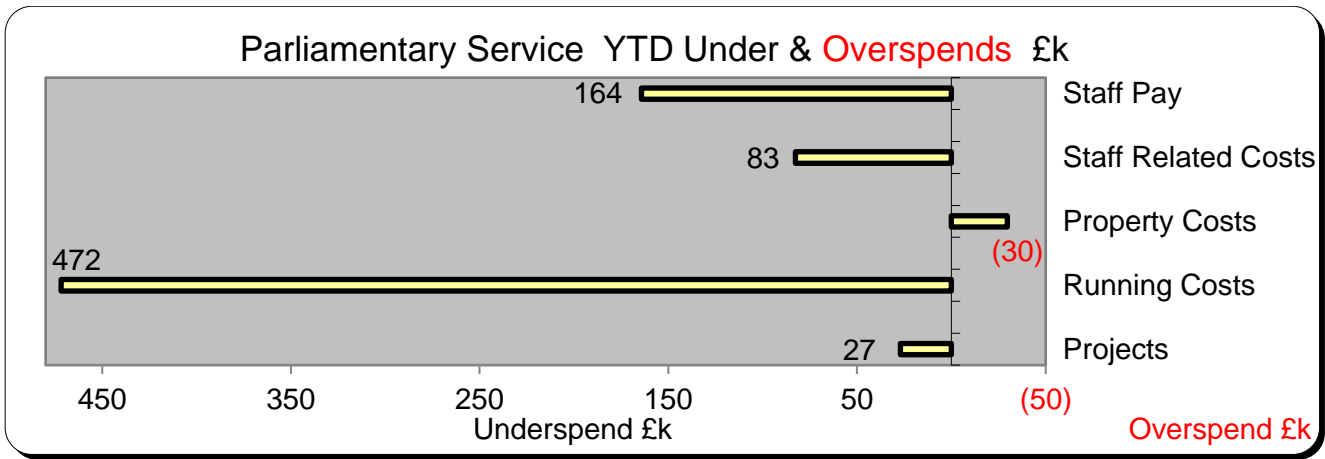
- £1.75m in Officeholders Accommodation relocation project over April – January, with a peak expected in December & January
- Members' expenses are phased to reflect higher monthly expenditure with a peak expected in the later part of the year



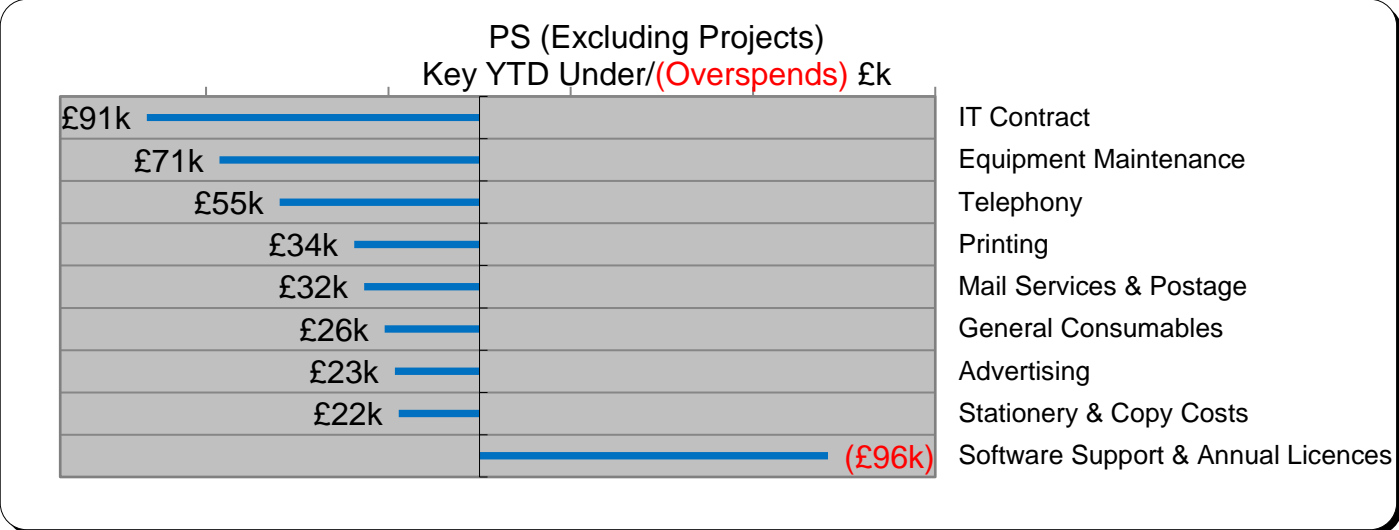
Parliamentary Service Costs (Schedule 2)

7. The year to date expenditure for the Parliamentary Service (SPS) of £33.8m is £716k (2.1%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £32.4m at period 9 was £0.4m (1.3%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.





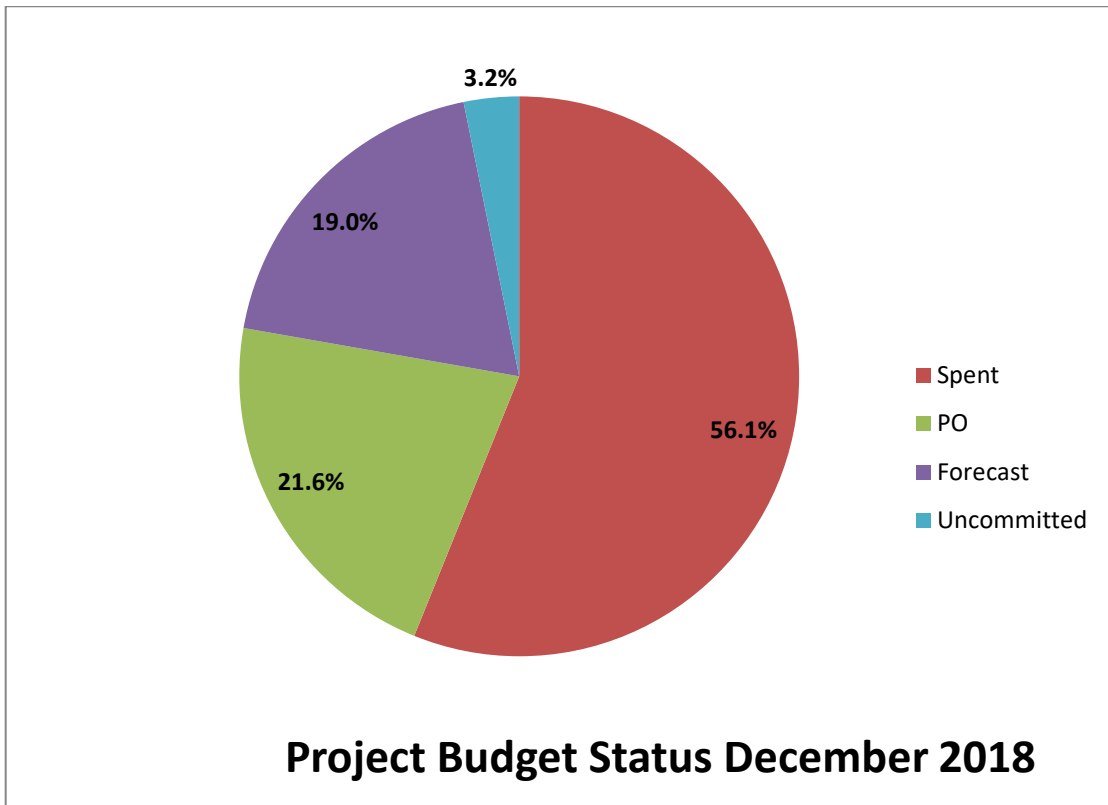
- Staff Pay is reported as £164k (0.8%) under budget including Agency staff and contractors. Staff turnover and the associated vacancies have exceeded the budgeted vacancy assumption in the first nine months of the year. Accordingly, a further £33k of staff pay budget was transferred to contingency in period 9 and this is reflected in the above figure.
- The expenditure on staff pay to date of £20.3m is £1.03m (5.1%) higher than the equivalent 17-18 costs.
- Expenditure on Staff Related Costs is £514k. This is £83k (13.9%) below the budget to date of £597k. Actual spend on staff related costs is £31k (6.1%) less than for the equivalent period in 2017-18. Travel and Expenses (£34k), Training (£22k) and Childcare Vouchers (£20k) make up the biggest elements of the underspend.
- Property Costs of £5.5m are £30k (0.5%) higher than the Year to Date budget.
- Running Costs of £4.4m are £472k (8.5%) under budget. Main running cost underspends are in IT Contract (£91k), Equipment Maintenance (£71k), Telephony (£55k), Printing (£34k), Mail Services and Postage (£32k), General Consumables (£26k), Advertising (£23k) and Stationery (£22k). These are partly offset by higher expenditure on Software Support and Annual Licences (£96k).



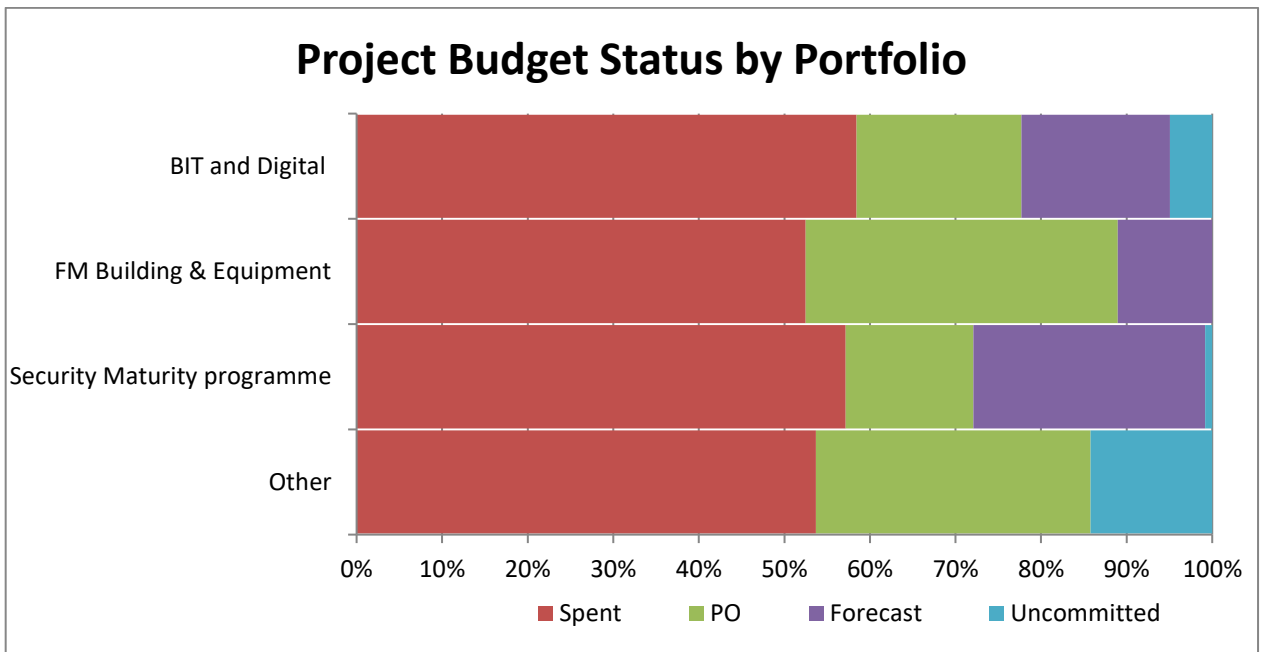
Project Reporting (Schedule 3):

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

- Total project expenditure to December 2018 is £3.1m, £27k (0.9%) under the year to date budget.
 - Revenue Projects show a total spend of £1.9m, an underspend of £96k (4.8%) against the phased budget of £2.0m.
 - Capital Projects have spent £1.21m for the year to date, representing an overspend of £69k (4.6%) against the phased budget of £1.14m. The expenditure is mainly in respect of the Security Systems Replacement project.
 - Currently, a net potential underspend of £171k (3.1%) is being forecast in projects.



This compares with 54.4% spent, 30.4% on purchase orders, 14.7% forecast and 0.5% uncommitted at the same period in 2017-18.



Members' Costs (Schedule 2)

9. Members' costs are analysed in Schedule 2, which shows £21.4m reported cost to December 2018, £354k (1.6%) lower than the phased year to date budget. (The corresponding figures for 2017-18 at period 9 were expenditure of £20.8m with an underspend of £578k, (2.7%)).

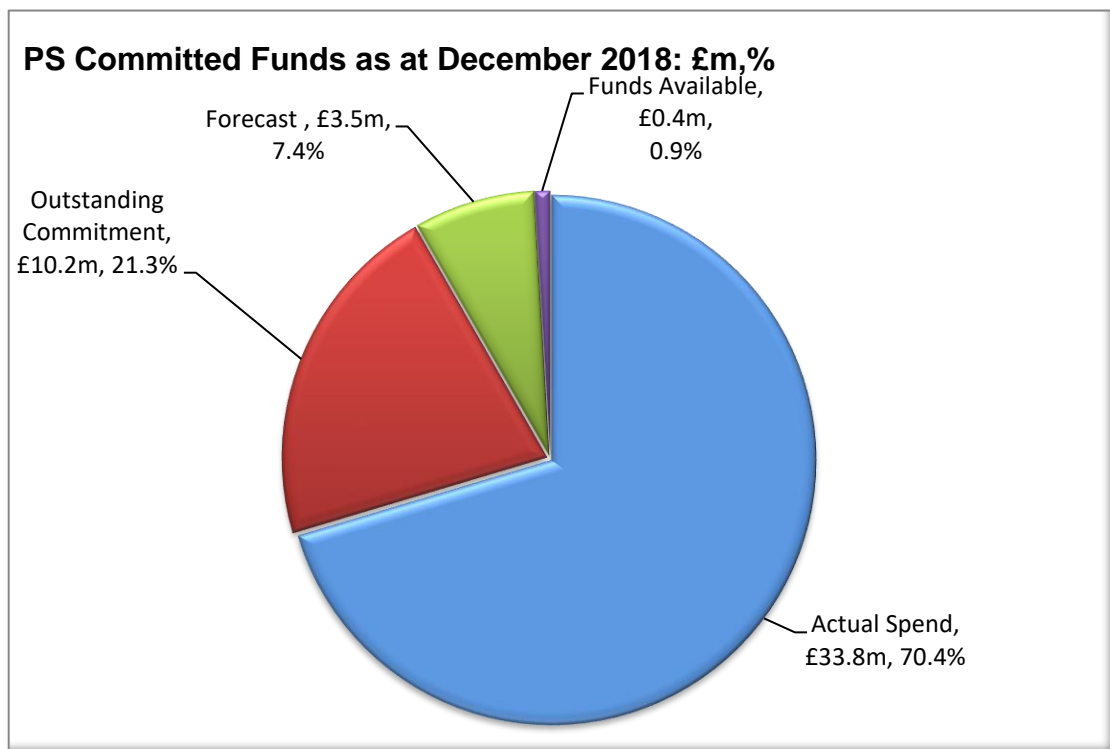
Commissioners & Ombudsman Costs (Schedule 2)

10. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the 9 months of 2018-19 amounts to £8.3m, which is £236k (2.8%) under the year to date budget. The underspend in the Officeholders Accommodation project is £423k and is due to timing differences. The unutilised balance in the Officeholders contingency is £300k.

Central Contingency

11. The central contingency has decreased by £211k in period 9 from £717k to £506k, principally due to the agreed allocation of current year budget funding to the Security Replacement Project (£225k) and the Culture of Respect project (£26k). This has been partly offset by money released to contingency from underspends in staffing (£33k) and underspends in non-staff costs (£7k).

12. Commitment



This compares with 70.1% spend, outstanding commitment 22%, forecast 7.2% and funds available of 0.6% as at December 2017-18.