

SPCB Finance Report – Q3 2019-20

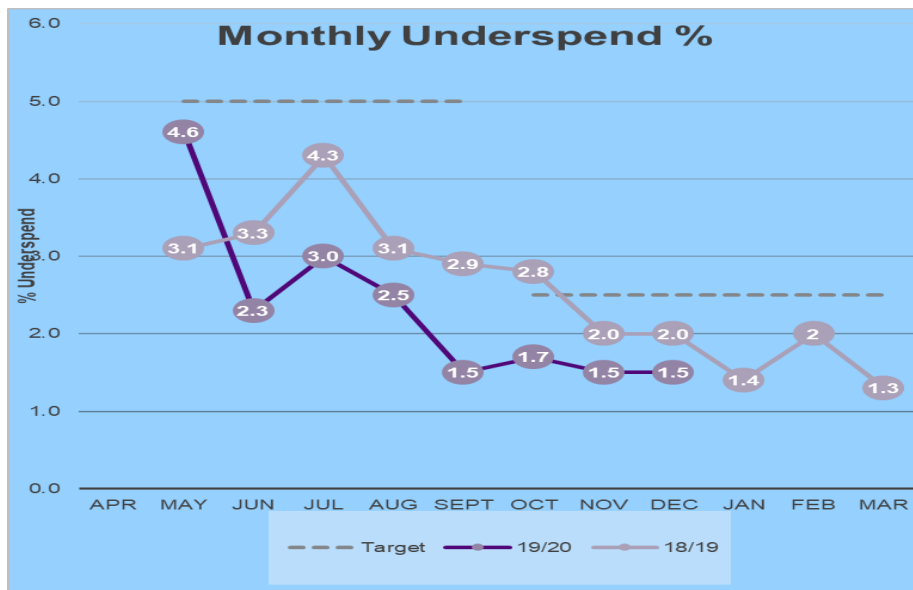
Purpose

This report is to inform the SPCB of the Q3 financial position for 2019-20.

Action to note for SPCB

- The budget underspend forecast for 2019-20 is provisionally c£0.6m.
- Leadership Group is invited to encourage all offices and project budget holders to ensure that 2019-20 budget commitments are recorded in the financial system promptly and to advise business accountants of any potential to utilise budget if it becomes available before the end of the financial year as soon as possible.

Headlines



The Scottish Parliament's total revenue and capital budget for 2019-20 is £91.7m – up £1.4m from the original approved budget for ABR & SBR transfers due to employer pension rate changes and additional responsibilities for the commissioners. At the end of Quarter 3, expenditure was £65.5m against a year to date budget of £66.5m representing an underspend against budget of £1.0m (**1.5%**). The comparable 2018-19 position was an underspend against budget of £1.3m (**2.0%**).

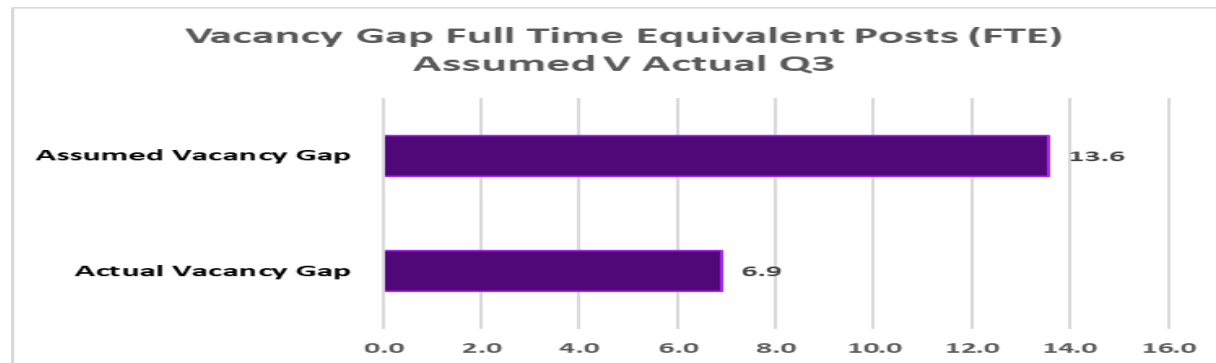
As at the end of Q3, SPCB had £0.1m showing as overcommitted against PS offices, £0.1m in Projects – a total of £0.2m. SRB has previously authorised overcommitment of £230k against forecast underspends in MSP costs. It looks likely that PS spend will come in £0.2m over allocated budget, though we are investigating if further project work can be undertaken. MSP expenses will be £0.7m and Commissioners £0.1m under budget.

SPCB Expenditure Summary Outturn – Q3:

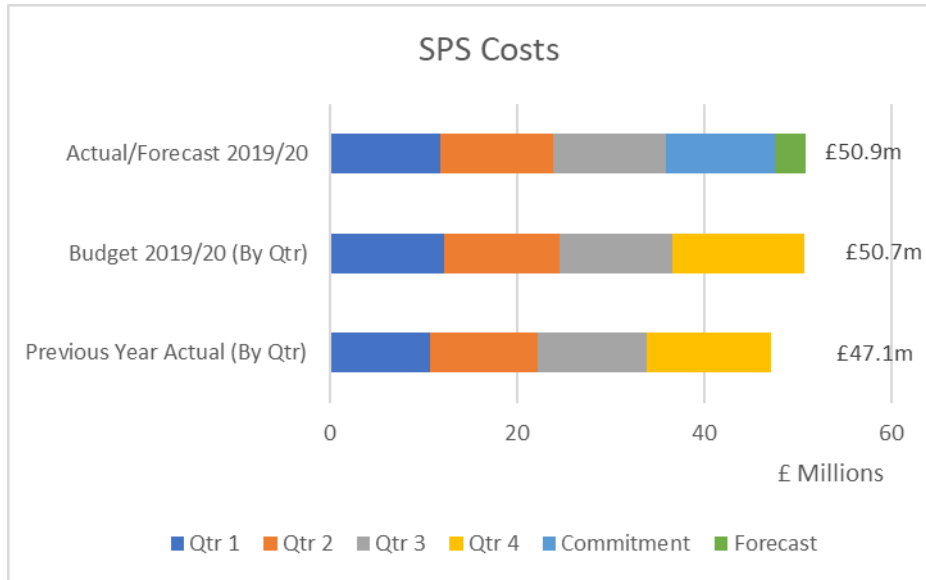
	Year to Date					Annual Forecast Outturn	Current Annual Budget	Original Annual Budget
	Actual	Budget	Variance	Variance				
	£'000	£'000	£'000	%				
Parliamentary Service Costs	35,897	36,555	658	1.8		50,919	50,679	48,752
Members Costs	21,908	22,394	487	2.2		29,930	30,670	30,670
Commissioners & Ombudsman Costs	7,704	7,564	(140)	(1.9)		10,291	10,391	9,945
Sub Total	65,508	66,513	1,005	1.5		91,240	91,740	89,367
Reserves – SPCB contingency						0	0	1,000
Total SPCB Expenditure	65,508	66,513	1,005	1.5		91,140	91,740	90,367

Staff Costs & FTE – Q2:

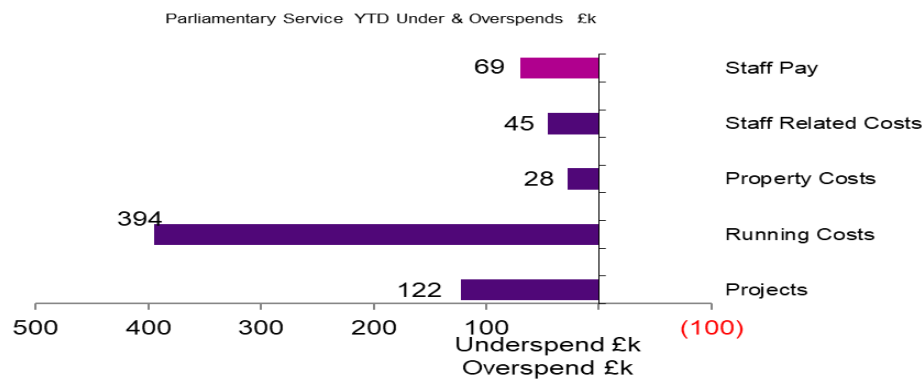
Staff Costs & Full Time Equivalents	Current Annual Budget £k	Forecasted Staff Outturn £k	Budget FTE	Actual FTE
Total	29,949	29,924	542.2	535.3



Parliamentary Service Costs – Q3

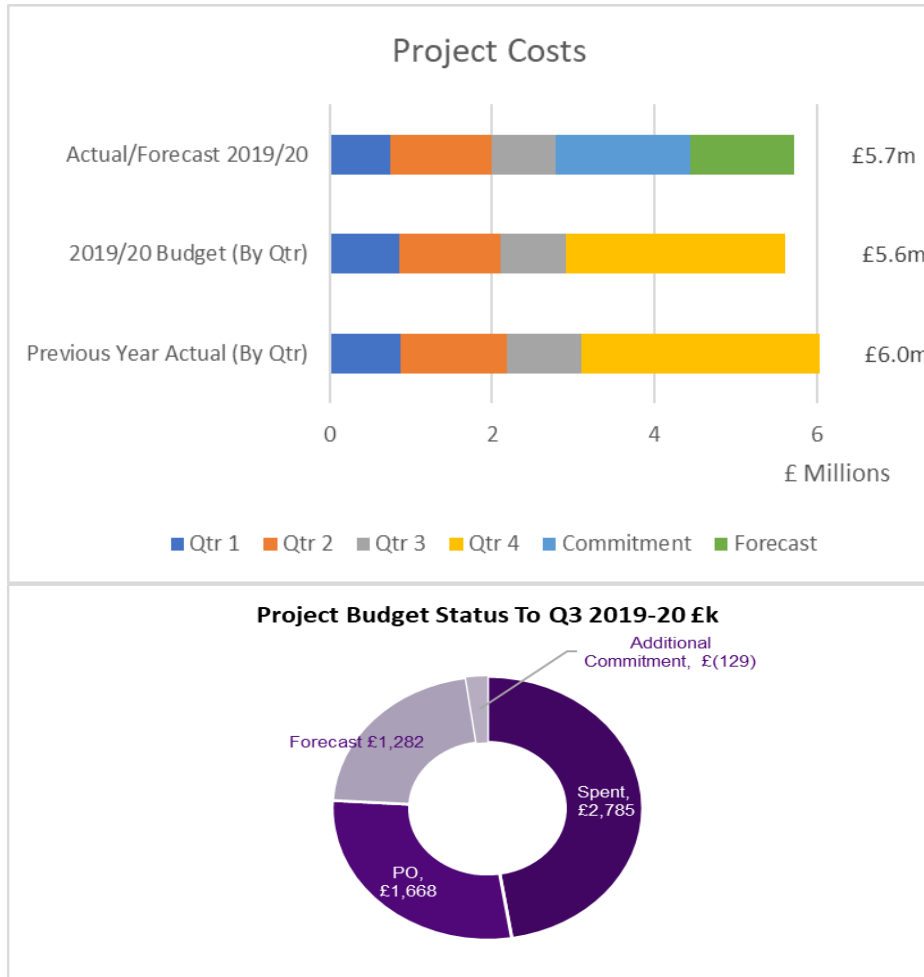


YTD Underspend / Overspend by Category £k:



- Parliamentary service (SPS) costs - year to date expenditure for the Parliamentary Service (SPS) of £35.9m is £0.7m (1.8%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £33.8m at Q3 was £0.7m (2.1%) under budget.
- Staff Pay is reported as £69k (0.3%) under budget including Agency staff and contractors. Approximately £1.2m to cover increased employers' pension contributions has been allocated to the full year staff pay budget – c75% of this is additional funding formally covered by the ABR. Actual FTE has increased 10.9 since Q2 to cover vacancies -the majority net increase going to the central cost centre for apprentices and maternity leave plus additions in the Digital HR group and Legal.
- Expenditure on Staff Related Costs is £480k. This is £45k (8.5%) below the phased Q3 budget of £525k. Actual spend on staff related costs is £34k (7%) below the equivalent period in 2018-19. Travel and Expenses (£61k) make up the biggest elements of the underspend offsetting a £28k overspend on Corporate Training. £72.5k of training budgets were taken to contingency in September to facilitate reprioritisation of planned expenditure in subsequent quarters.
- Property Costs of £5.6m within £28k (0.5%) of the YTD budget. Electricity is forecast to be c£120k over budget.
- Running Costs of £4.7m are £394k (7.0%) under budget. Main running cost underspends are in Mail Services & Postage (£68k), IT Contract (£42k) and Printing (£36k).

Projects – Q3



Projects

- Total project expenditure to Q3 2019-20 is £2,785k, £122k (4.2%) under the year to date budget. An additional £462k budget has been allocated to projects since Q2 in order to bring forward project spend from 2020/21 – in addition a further £230k from forecast overspends elsewhere has been authorised.
 - Capital Projects have spent £645k for the year, £80k (11.1%) lower than the phased budget of £726k. The expenditure is mostly in respect of the Security Systems Replacement and Lift Modernisation projects.
 - Revenue Projects show a total spend of £2,140k, an underspend of £42k (1.9%) against the phased budget of £2,181k.

Central Contingency

The original central contingency of £1m has reduced to zero, mainly as a result of staff budget transfers approved by SRB to cover staff posts, the balance on the employer pension costs required of £317k, not covered by the ABR transfer and the remaining amount to cover bringing forward project expenditure from 2020/21.

Members Costs

Members' show a £21.9m reported cost to Q3 2019-20, £487k under the YTD budget. This 38% higher than the corresponding period in 2018/19 of £354k. This is forecast to rise to c£740k by year end.

Commissioners and Ombudsman Costs

The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the 9 months of 2019-20 amounts to £7.7m, which is £140k (1.9%) over the year to date budget. Commissioners Contingency decreased from £506.4k in Q2 to £233k in Q3 as £273k has been allocated out to individual commissioners. Further calls of @ £111k are expected on this contingency before the end of year.