

SPCB FINANCE REPORT
Period 9 – December 2012

1. This report is to inform SPCB of general financial activity and expenditure trends in 2012-13.

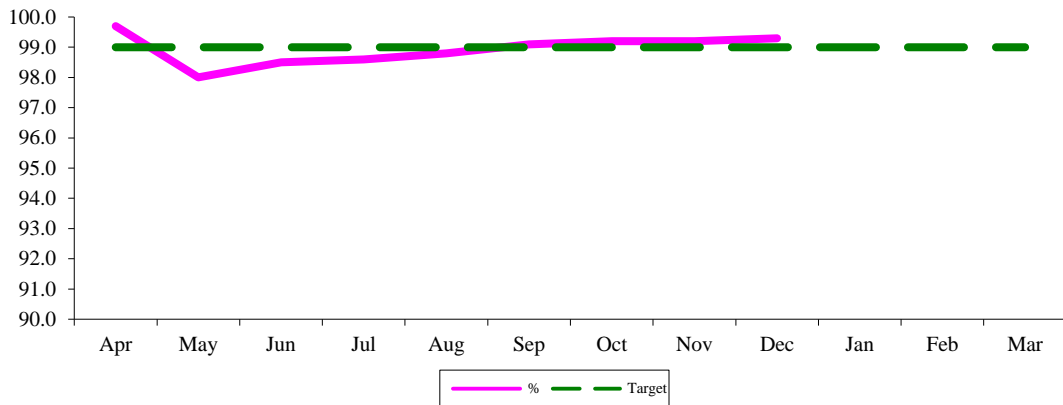
Head of Financial Resources Commentary / Executive Summary

2. The Scottish Parliament's total revenue and capital expenditure for the nine months in 2012-13 of £50.0m represents an under spend against budget of £1.8m (3.5%). This is higher, in percentage and absolute terms, than the comparable position in 2011-12 at period 9 of £1.5m (2.7%).
3. Our ability to provide the normal level of financial reporting is still constrained, due to the SEAS system upgrade. We continue to work with the Scottish Government to resolve the outstanding issues.

General Financial Activity

4. Bank reconciliations and main control account reconciliations for 2012-13, including CORE holding accounts, have been completed and reviewed up to period 9. Payroll reconciliations are complete for period 9. VAT returns for Q1 and Q2 have not yet been completed due to issues with VAT reporting from upgraded SEAS. The data is being reviewed and sorted manually and a return covering quarters 1-3 will be submitted in February.
5. The Finance Office has been liaising closely with the Scottish Government (SG) on the April 2012 upgrade of SEAS. A log of issues arising with the operation of the new system is maintained and we continue to pursue these issues with the SG. The focus is on resolving the remaining reporting issues. There are also interface issues between the purchasing system, EASEbuy, and upgraded SEAS which are affecting VAT reporting. We continue to work with the SG to address these as quickly as possible. New modules of SEAS for Fixed Assets and Cash Management, which we have worked closely with the SG on testing and piloting, are now operational. Depreciation is now charged monthly on fixed assets rather than annually (Schedule 5).
6. Our performance for payment of invoices within contract terms was 100% for the month of December and 99.3% for the year to date, which is above our target of 99.0%. Performance for payment within 10 days was 87.4% for the month and is 87.5% for the year to date.

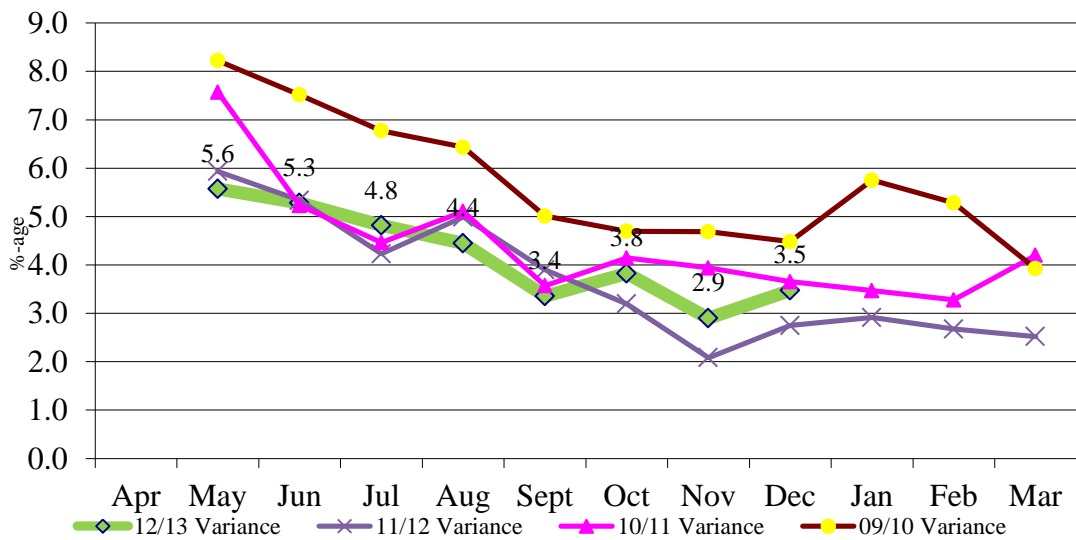
Payment Performance 2012/13



Financial Results

- The SPCB's net revenue expenditure per Schedule 1 for the nine months ended December 2012 is £49.3m, which is £1.8m (3.5%) under the approved revenue budget of £51.1m. The comparable net revenue underspend at December 2011 was £1.5m (2.7%).

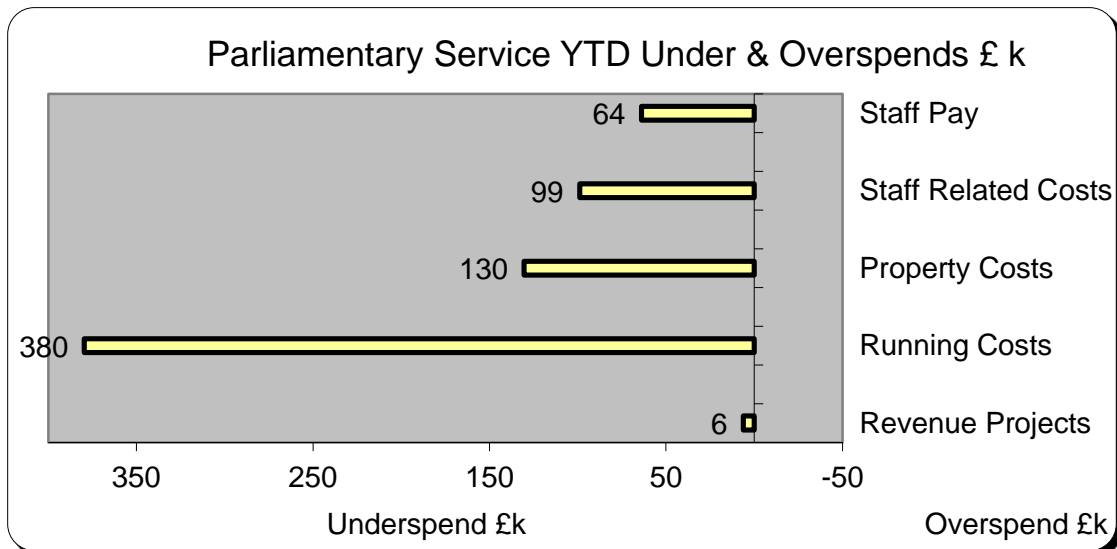
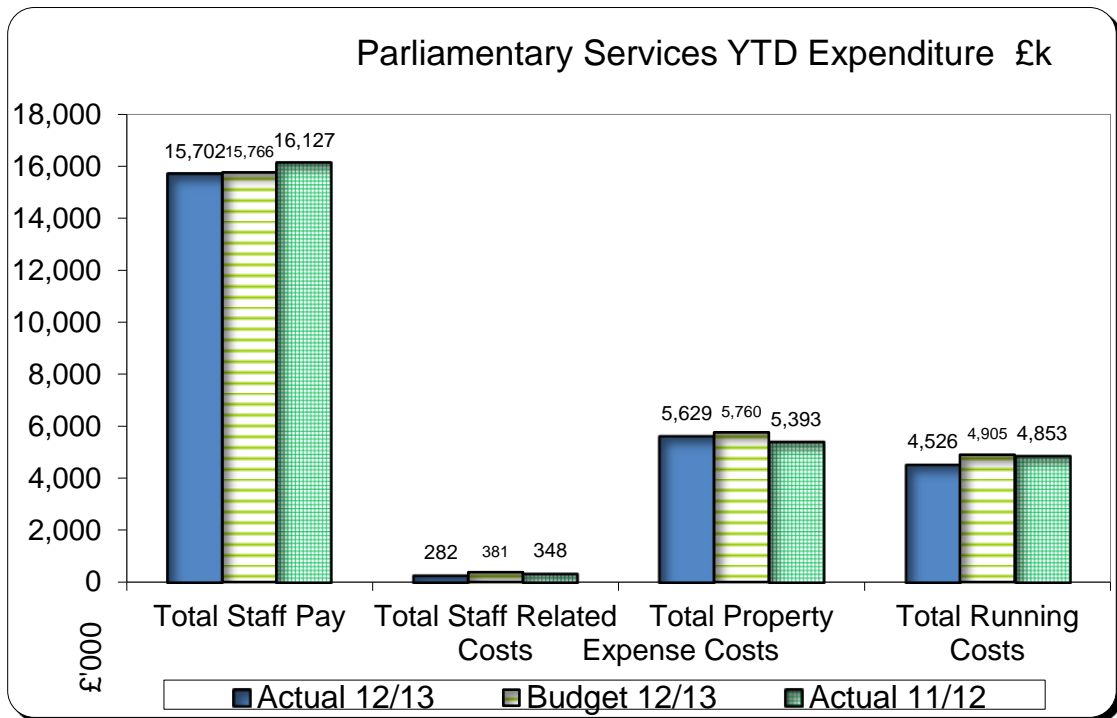
Trend of Cumulative Total Revenue Underspend



Parliamentary Service Costs (Schedule 2)

- The cumulative gross revenue expenditure for the Parliamentary Service (SPS), at £26.9m, is £0.7m (2.5%) under budget. The previous year's expenditure of £27.4m at the equivalent stage was £0.7m (2.3%) below budget. Revenue projects are £6k under phased budget. An analysis of

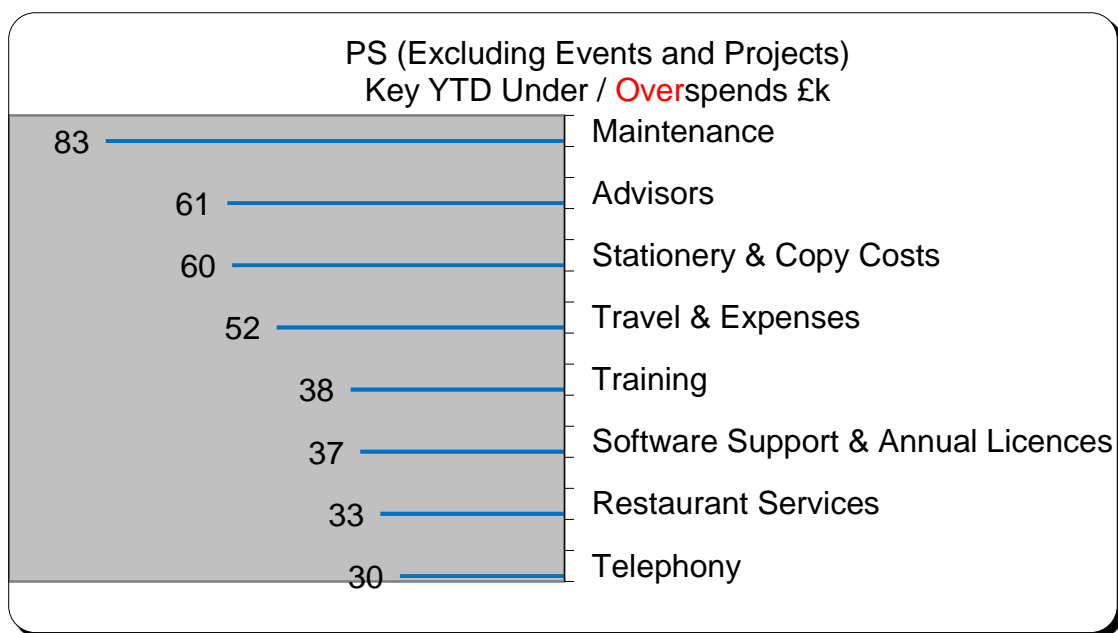
the current financial year by main category of expenditure is shown in the two charts below.



- Staff pay and staff related costs, which represent over half of Parliamentary Service Costs, are currently showing as being £163k under budget and, within this figure, staff pay at £15.7m is being reported at £64k (0.4%) under budget.
- Staff related costs of £282k are reported as £99k (26%) below budget, with Travel & Expenses accounting for £52k and Training for £38k of this variance. However, this reported underspend is largely attributable to the impact of a delay in processing corporate credit card entries, which have been fully accounted for at a corporate level, but for which

the detail had not yet been allocated against the individual expense codes for parliamentary staff.

- Property costs of £5.6m are currently £130k (2.3%) under the year to date budget – principally (£83k) in maintenance costs. The cumulative expenditure is expected to revert to budget following the February recess period, when several maintenance tasks are scheduled.
- Running costs of £4.5m are £380k (7.7%) under budget. Main running cost underspends are against Stationery & Copy Costs (£60k), Software Support (£37k), Advisors (£37k) and Restaurant Services (£33k).



Project Reporting (Schedule 3):

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

- Revenue Projects show a total spend of £720k against a YTD budget of £726k. All annual budget is allocated to specific projects.
- Following the transfer of funding for the ESF in period 6 and further transfers in P8 resulting from the forecasting exercise, the capital expenditure programme for 2012-13 stands at £4.34m, which is all allocated against specific projects. The ESF capital project has been rephased on the basis of the most up to date schedule received from the contractor in December.

Total capital project expenditure for the year is £652k against the phased year to date budget of £714k, a reported underspend of £62k

(8.7%), principally in respect of a £59k creditor balance brought forward from 2011-12 as a year end accounting adjustment.

- Overall, 26% of the total annual project budget has been spent by the end of December 2012 – with a further 66% committed.

Members' Costs (Schedule 2)

10. Members' costs are analysed in Schedule 2, which shows £17.0m reported costs for the year to date, £750k (4.2%) below the phased budget. (The corresponding underspend figures for 2011-12 were £0.7m, 3.2%). Of this underspend, £741k (8.1%) is on Members' Expenses. Party Assistance at £344k is £18k ahead of the phased budget.

Commissioners & Ombudsman Costs (Schedule 2)

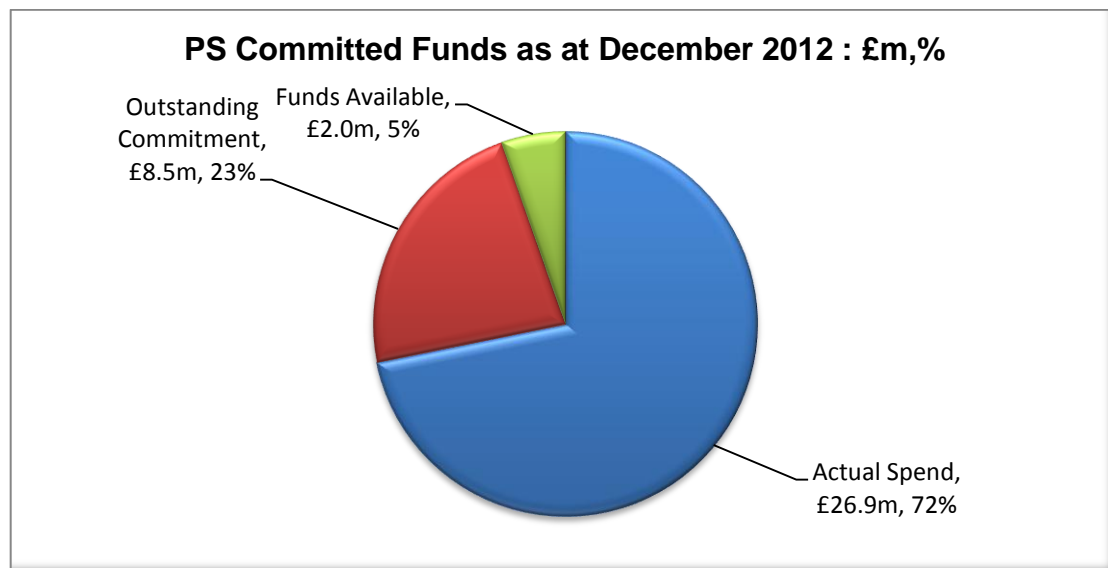
11. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) for the year to date amounts to £5.6m, which is £344k (5.7%) below the phased budget (2011/12 figures as at December 2011 were an underspend of £162k or 2.7%), principally in respect of the Ethical Standards Commission (£88k), Commissioner for Children and Young People (£86k) and the Public Services Ombudsman (£116k).

Central Contingency

12. The SPCB's central revenue contingency remains at £Nil in period 9 following the transfer of funds to the ESF capital project in period 6.

Commitment

13. The Parliamentary Service (PS) has committed 95% of its approved annual budget, including revenue projects, as at the end of December 2012.



Period 9 - December 2012 Leadership Group Financial Schedules

Schedule 1

	Year to Date				Current Annual Budget	Original Approved Budget
	Actual	Budget	Variance	Variance		
	£'000	£'000	£'000	%		
Parliamentary Service Costs (Schedule 2)	26,860	27,539	679	2.5	37,404	39,010
Members' Costs (Schedule 2)	17,019	17,768	750	4.2	24,033	24,033
Commissioners & Ombudsman Costs (Schedule 2)	5,639	5,983	344	5.7	8,230	8,230
Sub Total	49,518	51,290	1,772	3.5	69,667	71,273
Reserves - SPCB Contingency	0	0	0	n/a	0	1,250
Gross Revenue Expenditure	49,518	51,290	1,772	3.5	69,667	72,523
Less Income (PS)	(185)	(181)	4	(2.2)	(219)	(234)
Net Revenue Expenditure	49,333	51,109	1,776	3.5	69,448	72,289
Capital Expenditure	652	714	62	8.7	4,341	1,500
TOTAL EXPENDITURE	49,985	51,823	1,839	3.5	73,789	73,789

Schedule 2

	Actual £'000	Year-to-date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
<u>Parliamentary Service Costs</u>						
Staff Pay	15,702	15,766	64	0.4	21,243	21,935
Staff Related Costs	282	381	99	26.0	682	834
Property Costs	5,629	5,760	130	2.3	7,767	7,714
Running Costs	4,526	4,905	380	7.7	6,739	7,134
Parliamentary Service Costs excluding Projects	26,139	26,812	673	2.5	36,432	37,617
Revenue Projects	720	726	6	0.8	972	1,380
Total PS Revenue Costs	26,860	27,539	679	2.5	37,404	38,997
<u>Members' Costs</u>						
MSP & Officeholders' Pay	8,314	8,341	26	0.3	11,121	11,121
MSP Expenses	8,361	9,101	741	8.1	12,473	12,473
Party Assistance	344	326	(18)	(5.4)	439	439
Total	17,019	17,768	750	4.2	24,033	24,033
<u>Commissioners & Ombudsman</u>						
Ethical Standards Commission	506	593	88	14.8	798	798
Standards Commission	143	174	31	17.7	233	233
Human Rights Commission	704	732	28	3.9	944	944
Scottish Information Commissioner	1,110	1,106	(4)	(0.4)	1,463	1,463
Public Services Ombudsman	2,334	2,450	116	4.7	3,292	3,292
Commissioner for Children	842	928	86	9.2	1,234	1,234
Reserves - C&O Contingency	0	0	0	n/a	266	266
Total	5,639	5,983	344	5.7	8,230	8,230

Period 9 - December 2012 Leadership Group Financial Schedules

Schedule 3

Project Summary : Revenue / Capital Expenditure analysis December 2012	YTD Actual £k	YTD Budget £k	Variance £k	Variance %	Current Annual Budget £k	Original Approved Budget £k	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
Revenue Projects									
- allocated	720	726	6	0.9	972	856	74.1%	144	108
- unallocated	n/a	n/a	n/a	n/a	0	524	n/a	0	0
Total Revenue Projects	720	726	6	0.9	972	1,380	74.1%	144	108
Capital Projects									
- allocated	652	714	62	8.7	4,341	255	15.0%	3,390	299
- unallocated	n/a	n/a	n/a	n/a	0	1,245	n/a	0	0
Total Capital Projects	652	714	62	8.7	4,341	1,500	15.0%	3,390	299
TOTAL	1,372	1,441	68	4.8	5,313	2,880	25.8%	3,534	407

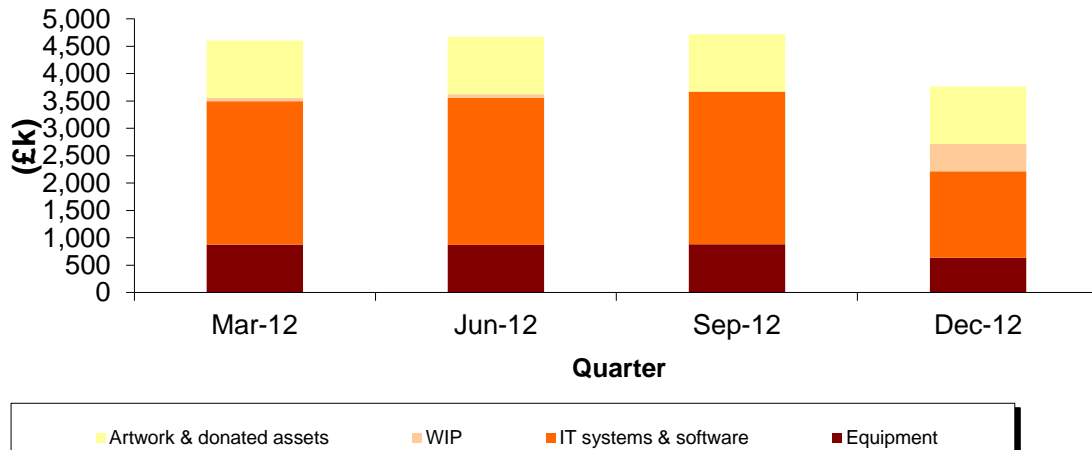
Project Summary : Analysis by Portfolio December 2012	YTD Actual £k	YTD Budget £k	Variance £k	Variance %	Current Annual Budget £k	Original Approved Budget £k	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
IT	144	231	87	37.5	557	318	25.9%	75	337
FM Building & Equipment	530	542	13	2.3	677	659	78.3%	120	27
Engagement	41	44	3	5.8	44	54	94.2%	2	1
ESF Design	95	60	(35)	(57.8)	60	0	157.8%	0	(35)
ESF Construction	503	503	0	n/a	3,836	0	13.1%	3,333	0
Information Management	52	60	8	12.5	140	80	37.5%	5	83
Other	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(6)
Total Projects Allocated	1,372	1,441	68	4.8	5,313	1,111	25.8%	3,534	407
Unallocated Project Budget	n/a	n/a	n/a	n/a	0	1,769	n/a	n/a	0
TOTAL	1,372	1,441	68	4.8	5,313	2,880	25.8%	3,534	407

Period 9 - December 2012 Leadership Group Financial Schedules

Schedule 4

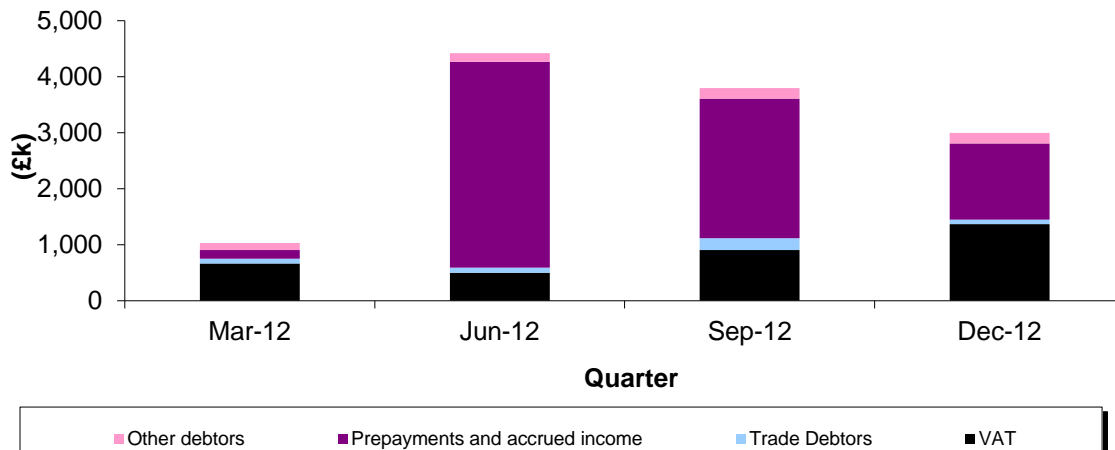
	Actual	Year-to-date		Annual Budget	Funds Available	Committed Outturn	Funds Available
		Outstanding Commitments	Committed Outturn				
	£'000	£'000	£'000	£'000	£'000	%	%
<u>Parliamentary Service Costs</u>							
Staff Pay	15,702	5,256	20,958	21,243	285	98.7	1.3
Staff Related Costs	282	67	349	682	333	51.2	48.8
Property Costs	5,629	1,922	7,551	7,767	216	97.2	2.8
Running Costs	4,526	1,143	5,669	6,739	1,071	84.1	15.9
Parliamentary Service Costs excluding Projects	26,139	8,388	34,527	36,432	1,904	94.8	5.2
Revenue Projects (Schedule 3)	720	144	864	972	108	88.9	11.1
Total PS Revenue Costs	26,860	8,532	35,391	37,404	2,013	94.6	5.4

Fixed Assets (Excluding Land & Buildings)



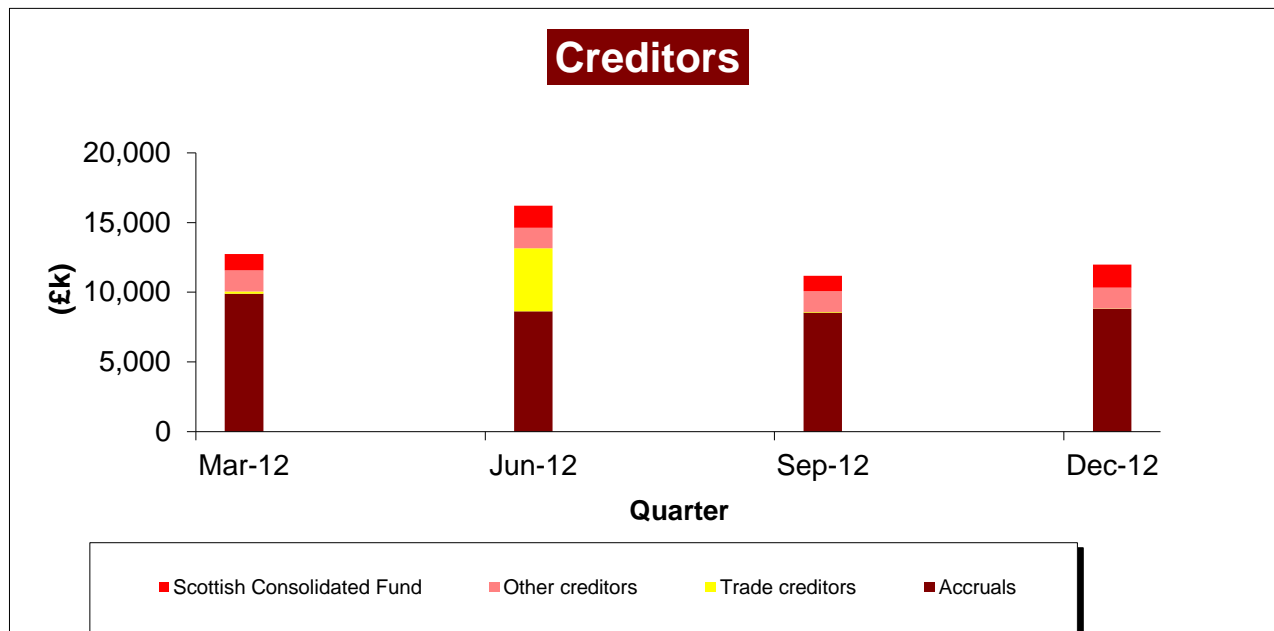
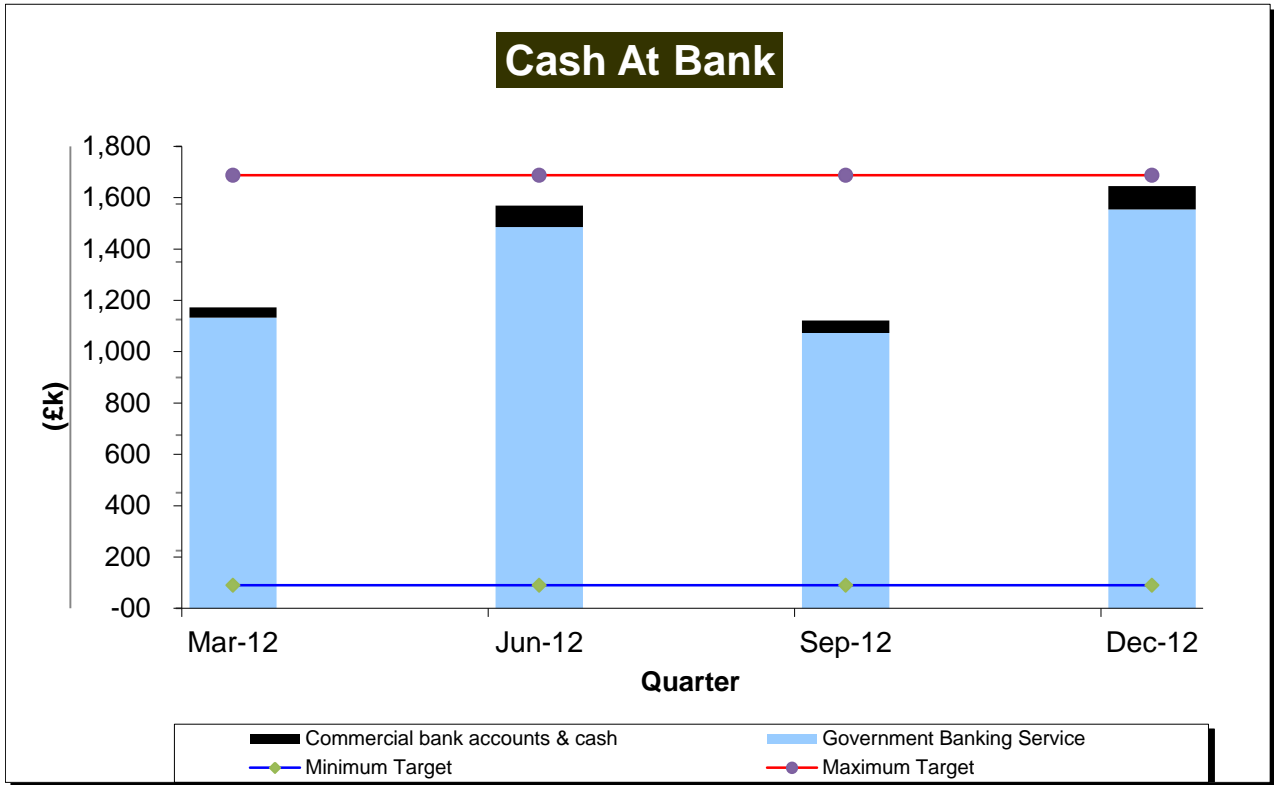
Land & Buildings professionally valued at £306.5m at 31 March 2010.
 No change in artwork. WIP represents spend on External Security Facility.
 IT Systems and Software and Equipment are lower due to depreciation charged.

Debtors



Note

Prepayments are lower due to treatment of annual rates invoice.



Note

Trade creditors higher in June due to inclusion of rates invoice paid in September.