



The Scottish Parliament  
Pàrlamaid na h-Alba

**The Presiding Officer**

Kenneth Gibson MSP  
Convener  
Finance & Public Administration Committee  
T3.60

11 December 2025

Dear Convener

**SPCB BUDGET SUBMISSION FOR 2026-27**

On behalf of the Scottish Parliamentary Corporate Body (SPCB), I am pleased to provide you with our 2026-27 budget bid which is due for consideration by the Committee on 6 January 2026.

This budget bid provides funding for the first year of Session 7 and, critically, includes additional budget to cover one-off election related expenses. As such, this budget bid is covering the important period from the end of Session 6, dissolution, election and the commencement of Session 7.

Work continues on planning for Session 7 including work on the SPCB's Session 7 Strategy, Delivery Plan and closely aligned Medium-Term Financial Plan (MTFP) which are all planned to be agreed in Autumn 2026. The Committee helpfully endorsed the MTFP last year. The Session 7 Strategy and MTFP will be finalised by the newly-elected SPCB in the early part of Session 7.

You will note that the submission attached to this letter contains an expanded and more detailed look at the 2026-27 budget and, specifically, what it provides for the Scottish Parliament and the link to our key outcomes and priorities. We have sought to take into account the Committee's recommendations from previous sessions to provide a more strategic and holistic overview including 'more detailed information on how the SPCB had achieved savings and prioritised spend.' We have also included several case studies to provide more detailed examples.

While seeking to capture and budget for the impact of the election and potential related uncertainties, a key theme throughout the budget process has been a focus on value for money, prioritisation and reform. As such, this budget bid recognises the ongoing constrained financial environment and challenges facing public services across Scotland.

It is only right that the SPCB should play its part in tackling those challenges and ensuring that we are doing all that we can to drive best value and efficiencies while delivering high quality parliamentary support and enabling effective debate and scrutiny. This will require a transformation in how we use our resources to create the Parliament of the future, embracing new technologies and processes and targeting our people and financial resources to where they are needed most.

The 2026-27 Budget bid has been prepared in the context of a higher level of operational and financial risk, with the most significant risks being:

- The challenging financial environment in the public sector.
- Election uncertainty – both in terms of number of new MSPs and parties and in potential changes to take up of allowances where budget assumptions have been based on historical trends.
- The Scottish Parliamentary Service (SPS) pay deal for 2026-27 has yet to be settled as it is subject to negotiation with trade unions.
- Delivering the SPS vacancy rate of 5% given current trends e.g. low turnover and increased parliamentary business.
- Absorbing the reduction to a 35-hour week, which was agreed as part of the 2024-25 pay deal for Parliament staff with the recognised trade unions.
- Ongoing inflationary and contractual pressures as well as pressure on accommodation costs, especially within Edinburgh.

As a result of the factors laid out above, especially in relation to the election, the level of risk being carried in this budget is significantly greater than in previous years. This is also impacting our ability to forecast future years. Our budget document aims to be transparent around these risks and to highlight the ways in which we intend to manage these uncertainties and pressures through the year.

Our 2026-27 expenditure budget bid totals £150.1 million. This is about 0.25% of the c£60 billion 2026-27 Scottish Consolidated Fund expenditure which the Parliament is tasked with scrutinising. This bid represents an increase of £13.9 million or 10.2% over the 2025-26 budget, of which £8.5 million relates to one-off parliamentary election costs. We have also included an indicative 2027-28 figure of £147.9 million which is a decrease of 1.5% on the 2026-27 budget, reflecting the removal of one-off election costs.

The SPCB has identified a total budget requirement (including the £150.1 million of expenditure budget noted above as well as capital charges and non-cash items) of £167 million for 2026-27 as shown at Schedule 1, compared to the current year total budget of £153.1 million, an uplift of £13.9 million (9.1%).

Included within the budget is funding for MSP Pay of £15.9 million, an increase of £0.6 million (3.8%) on 2025-26 and 0.5% above the 2026-27 indicative budget. The SPCB must have regard to a suitable index for Member pay, which has been annualised Average Weekly Earnings (AWE) consistently in recent years. AWE sat at 4.3% as at September 2025 which has been reflected in these figures.

It should be noted that MSP salaries continue to sit below counterparts in Westminster and the Senedd. Over the period 2021-22 to 2026-27, MSP pay is lagging 8.2 percentage points below CPI which equates to c£5,300 over the period or a 2026-27 MSP salary of c£83,000 rather than £77,710 had indexation been in line with CPI.

This budget proposal will ensure that the SPCB has the resources to meet the needs of the Parliament, its Members, Committees, wider stakeholders and the public through 2026-27, including ensuring that the election programme is fully supported. This will enable an efficient and effective start to Session 7 as well as supporting new and returning MSPs and their staff and those who are not returning. This will all be done against the context of difficult public sector finances, with the SPCB doing its part to deliver efficiencies and wider public service reform across the organisation.

We will be happy to expand on any aspects of our budget submission when we appear before the Committee on 6 January.

Yours sincerely

**Rt Hon Alison Johnstone MSP**  
Presiding Officer



The Scottish Parliament  
Pàrlamaid na h-Alba

# **The 2026-27 SPCB Budget Proposal**

**Prepared for the Finance and Public Administration  
Committee**

**December 2025**

# Introduction

1. The Scotland Act 1998 provided for the creation of the Scottish Parliament and the establishment of the Scottish Parliamentary Corporate Body (SPCB) to oversee its administration. Section 21 of the Act places a duty on the SPCB to make arrangements for the Parliament to be provided with the property, staff and services which are required for its purposes. It also provides for any such expenses incurred by the SPCB to be payable from the Scottish Consolidated Fund (SCF). The SPCB budget bid also provide for the costs of “supported bodies”, namely commissioners and the Scottish Public Services Ombudsman (referred to collectively as “Officeholders”).
2. This budget bid provides funding for the first year of Session 7 and, critically, includes budget to cover one-off election related expenses. As such, this budget bid is covering the important period from the end of Session 6, dissolution, the election and then the commencement of Session 7.
3. Work continues on planning for Session 7 including work on the SPCB's Session 7 Strategy, Delivery Plan and closely aligned Medium Term Financial Plan (MTFP) which are all planned to be agreed in Autumn 2026. Sign-off of the Strategy and the associated MTFP, the proposals around which the Finance and Public Administration Committee helpfully endorsed as part of last year's process, will need to take place post-election when the Session 7 SPCB is in place.
4. While seeking to capture and budget for the impact of the election and potential related uncertainties, a key theme throughout the budget process has been a focus on value for money, prioritisation and reform. Therefore, this budget proposal recognises the ongoing constrained financial environment and challenges facing public services across Scotland. It is only right that the SPCB should play its part in tackling those challenges and ensuring that we are doing all that we can to drive best value and efficiencies while delivering high quality parliamentary support and enabling effective debate and scrutiny. This will require a transformation in how we use our resources to create the Parliament of the future, embracing new technologies and processes and targeting our people and financial resources to where they are needed most.
5. The forthcoming Session 7 Strategy will set out how the SPCB will fulfil our responsibilities under the Scotland Act to provide the Parliament with the property, staff and services required for its purposes. This means provision of excellence in advice, services and facilities while addressing and adapting to recognised challenges and opportunities over the session. Critically, reflection on the Parliament's development to date will allow us to understand where we need to adapt to take advantage of current and future opportunities and innovations.

6. In addition to the information provided on our detailed 2026-27 budget requirements, we have also provided an indicative forecast for 2027-28, noting significant caveats including around the potential impact of the election and possible changes in MSP expenditure assumptions, ongoing inflationary and pay uncertainties, the need for additional prioritisation and business case work on projects, and potential changes in the officeholder landscape.
7. This paper is presented in three main parts:-
  - Key messages
  - Context
  - Budget Bid 2026-27 to 2027-28
8. The paper is supported by detailed reform/cost saving case studies at Annexes 1 and 2 and Detailed Schedules.

# Key Messages

## 2026-27 Budget Bid

Image 1: Budget bid by spending area.



9. Our 2026-27 budget bid, excluding capital charges and non-cash items, totals £150.1 million; this is about 0.25% of the c£60 billion of 2026-27 Scottish Consolidated Fund expenditure which the Parliament is tasked with scrutinising.
10. This budget focusses on sustaining the effectiveness of parliamentary debate and scrutiny over the longer term, supporting Members' representative role for their constituents, and ensuring that we continue to support the Parliament to deliver its purpose through excellence in advice, services and facilities.
11. The Scottish Parliamentary Service (SPS) will utilise its 2026-27 budget to provide excellence in our parliamentary services including:
  - Providing Members with high quality support and resources to allow them to excel in their roles as parliamentarians and representatives.
  - Delivering democratic accountability through effective scrutiny and debate.
  - Encouraging public involvement in our work through welcoming and inclusive facilities and services.
  - Providing the Parliament with efficient, high quality and effective corporate services and governance.

- Promoting a respectful and inclusive working environment that inspires excellence, where people and performance thrive.
- Seeking to modernise and reform parliamentary processes, infrastructure, and systems where possible to ensure effective prioritisation and best use of our resources.
- Supporting the election process and ensuring the smooth induction of all new and returning Members and their staff alongside winding up processes for non-returning Members.

12. The key features of the £150.1 million budget bid are (note all figures provided in cash terms):

- Funding for **Scottish Parliamentary Staff Pay** of £44.3 million, an increase of £1.4 million (3.3%) on 2025-26 which is based on the inflation-linked forecasts used in the 2026-27 indicative budget. Pay negotiations for 2026-27 have yet to conclude.
- Funding for **Scottish Parliamentary Staff Related and Holyrood Property and Running Costs** of £19.7 million, an increase of £0.5 million (2.3%) on 2025-26 which is in line with the 2026-27 indicative budget.
- Funding for **Projects** of £6.5 million, an increase of £0.2 million (3.4%) on 2025-26, but an 8.3% decrease on the 2026-27 indicative figure which has fallen by £0.5 million. This amount includes £2.5 million for election-related expenditure and actual year-on-year expenditure has fallen as projects are prioritised to ensure value for money and links to delivery and strategic priorities.
- Funding for **MSP Pay** of £15.9 million, an increase of £0.6 million (3.8%) on 2025-26 and 0.5% above the 2026-27 indicative budget. The SPCB must have regard to a suitable index for Member pay, which has been annualised Average Weekly Earnings (AWE) consistently in recent years. AWE sat at 4.3% as at September 2025 which has been reflected in these figures.
- Funding for **MSP Expenses** of £31.7 million, an increase of £1.4 million (4.6%) and 1.8% above the 2026-27 indicative budget due to higher than anticipated inflation and additional baselined costs relating to Party Leaders, following a review of the Members' Expenses Scheme ahead of Session 7
- Funding for **Election Contingency** of £6 million. This is a one-off cost related to the May 2026 election so there is no comparable amount in the 2025-26 budget. The funding includes a £1 million uplift from the 2026-27 indicative budget, which reflects a more informed perspective now than when the indicative was set. That more informed perspective includes the potential for a higher than anticipated number of new Members/parties and change in costs including regional offices and expenditure assumptions.

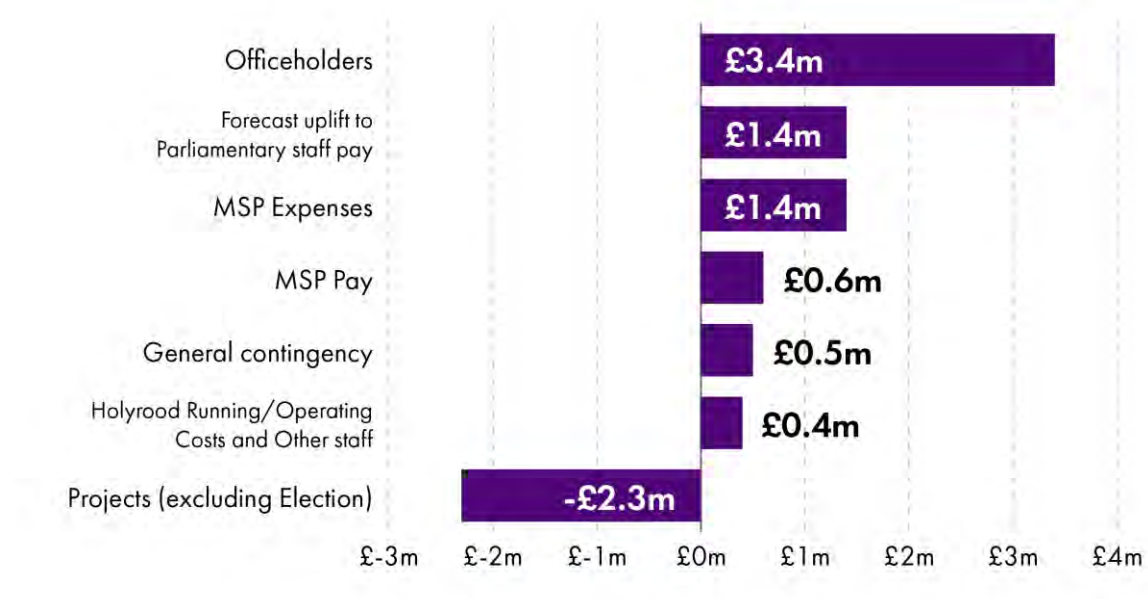


- Funding for **General Contingency** of £1.5 million which provides prudent contingency for emergencies and cover for any unforeseen operational cost pressures that might result during the year. Given the level of risk and uncertainty being carried in 2026-27, this has been increased by £0.5 million, as was the case in 2023-24 for similar reasons.
- Funding for **Officeholders** of £24.7 million, an increase of £3.4 million (15.7%) and 3.5% above 2026-27 indicative budget. This includes additional costs relating to the election as well as costs relating to new officeholders, increased demand, and inflationary increases.

## Main Drivers of Budget Movements

13. Overall, the 2026-27 expenditure budget bid has increased by £13.9 million, from £136.2 million in 2025-26 to £150.1 million. The budget bid is £2.5 million above the 2026-27 indicative bid of £147.6 million. £8.5 million of the actual year-on-year increase relates directly to one-off election costs, meaning that the increase relating to 'normal' expenditure is £5.4 million or 4%. Image 2 below details the main drivers of the movement.

**Image 2: Main changes in the budget over the year**



14. The core SPS funding increase covering pay, Holyrood running/operating costs and project expenditure is £2.1 million. This represents a 3.1% increase compared to the 2025-26 budget. However, when one-off election project costs of £2.5 million are stripped out to allow a like-for-like comparison, the year-on-year movement of costs within the Parliament's control is actually a decrease of £0.4 million or 0.6%.

15. The total £2.5 million increase from the 2026-27 indicative forecast is due to: additional election and general contingency cover (£1.5 million), additional resource requests from Officeholders (£0.8 million) and inflation tracking higher than had been previously forecast (£0.7 million), all offset by a reduction (£0.5 million) in project expenditure.
16. The 2026-27 budget proposal has been prepared in the context of a higher level of operational and financial risk with the most significant risks being:
- The challenging financial environment in the public sector.
  - Election uncertainty – both in terms of the number of new MSPs and parties and in potential changes to take up of allowances where budget assumptions have been based on historical trends.
  - SPS pay deal for 2026-27 has yet to be settled as it is subject to negotiation with trade unions.
  - Delivering the SPS vacancy rate of 5% given current trends e.g. low turnover and increased parliamentary business.
  - Absorbing the reduction to a 35-hour week, which was agreed as part of the 2024-25 pay deal for Parliament staff with the recognised trade unions.
  - Ongoing inflationary and contractual pressures as well as pressure on accommodation costs, especially within Edinburgh.
17. The Election Programme is a major focus for the organisation throughout 2026-27. The strategic goal of the 2026 Election Programme is to ensure a smooth transition to Session 7 and provide professional advice, practical resources and excellent services to all Members and their staff before, during, and after the election, enabling them to fulfil their parliamentary and representative roles
18. Alongside delivering key compliance activity, the strategic focus of the Programme will be on designing and delivering an enhanced programme of induction for new and returned Members, to support them to be parliamentarians and to encourage cross-party relationship building. The programme also has a focus on designing and delivering an enhanced offering of support to non-returning Members to support them in their transition from being an elected Member to a new role – be that retiring or transitioning to a new career.
19. Over the course of 2026-27 and beyond through Session 7, we are committed to our key priorities of delivering excellent parliamentary services, building trust, strengthening Parliament and transforming how we use our resources to deliver our role as efficiently and effectively as possible. Our Session 7 Strategy and linked Medium-Term Financial Plan (MTFP) will set out how we plan to deliver these priorities including:
- Greater use of long-term planning, forecasting and prioritisation, especially around project expenditure but also in areas such as contract management and procurement.

- The creation of a digital strategy which aims to change the way in which we implement and embrace digital solutions to ensure processes are as effective as possible and that we modernise the way in which staff and Members work.
- Effective workforce planning to ensure that our staff have the capacity and capability to deliver effectively and support Members and parliamentary business.
- Implementing an asset strategy for Session 7 that directly supports our decarbonisation strategy and sustainability targets as well as ensuring that our assets are fit for purpose and are being deployed in the most efficient way possible, including our estate.
- Implementing a new Public Engagement Strategy that will enable the Parliament to be more relevant, accessible and responsive to the public's needs, including embedding the agreed recommendations from the public participation enquiry.
- Supporting agreed changes from the Committee Effectiveness Enquiry.

# Context

## 2026-27 Financial Risks

20. The budget bid for 2026-27 has been prepared in the context of a number of interconnected risks, which include:

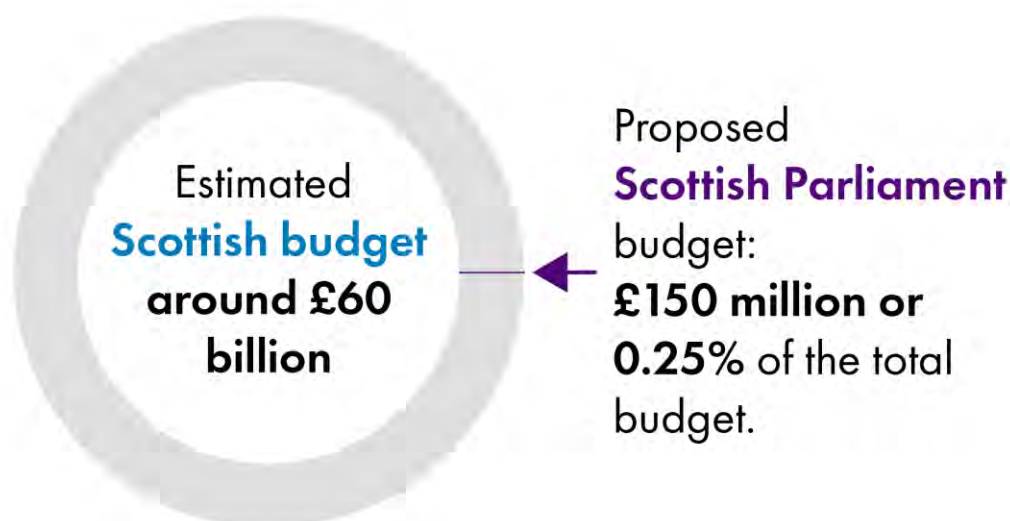
- Uncertainty around the election outcome with particular emphasis on the potential for an unprecedented level of new Members as well as the potential for new parties. This brings a great deal of uncertainty to cost estimates both in terms of one-off costs directly associated with the election such as set-up and resettlement alongside the potential for changes in recurring costs in areas such as allowance take up and the number of regional offices. While the initial impact will be known in May as election results emerge, actual spending patterns may take many months to settle.
- The challenging financial environment and impact on public sector budgets.
- The continued 5% SPS vacancy target which will present challenges. While there is an expectation that the increased parliamentary activity and late sittings that were experienced in the run up to dissolution should not recur in 2026-27, which will remove some pressure on staff, we anticipate lower turnover due to current labour market conditions which will make fulfilling the target difficult. This is a risk that needs to be managed carefully to meet our commitment to staff wellbeing while maintaining our focus on excellent support for Members and parliamentary business.
- Absorbing the impact of the reduction to a 35-hour working week, while also maintaining a high vacancy factor, delivering on our election programme, and set up of Session 7 parliamentary business and maintaining staff wellbeing.
- The need to continue to deliver efficiencies in our services and operations while facing ongoing sustained inflationary pressures across a number of our contracts and suppliers.
- The final pay settlement for SPS staff (and by extension Officeholder staff) for 2026-27, which is subject to pay negotiation.
- Officeholders continue to advise SPCB of demand-led pressures and resourcing challenges as well as being exposed to pay and inflationary pressures.

21. As a result of the factors laid out above, especially in relation to the election, the level of risk being carried in this budget is significantly greater than in previous years. This is also impacting our ability to forecast future years.

## Public Service Reform, Efficiencies and Prioritisation

22. Our 2026-27 expenditure budget bid totals £150.1 million; this is 0.25% of the c£60 billion Scottish Consolidated Fund expenditure that the Parliament is responsible for scrutinising. Of this £150.1 million, roughly 47% or (£70.6 million) relates to direct Scottish Parliamentary Service and Holyrood costs, including implementing the election programme, with 63% of that figure relating to staff pay. 48% of the budget (£72.3 million) relates to Members' pay, costs/expenses and Officeholders. The final 5% of the budget relates to the election and general contingency funds.

**Image 3: The Parliament Budget compared to the Scottish Consolidated Fund.**

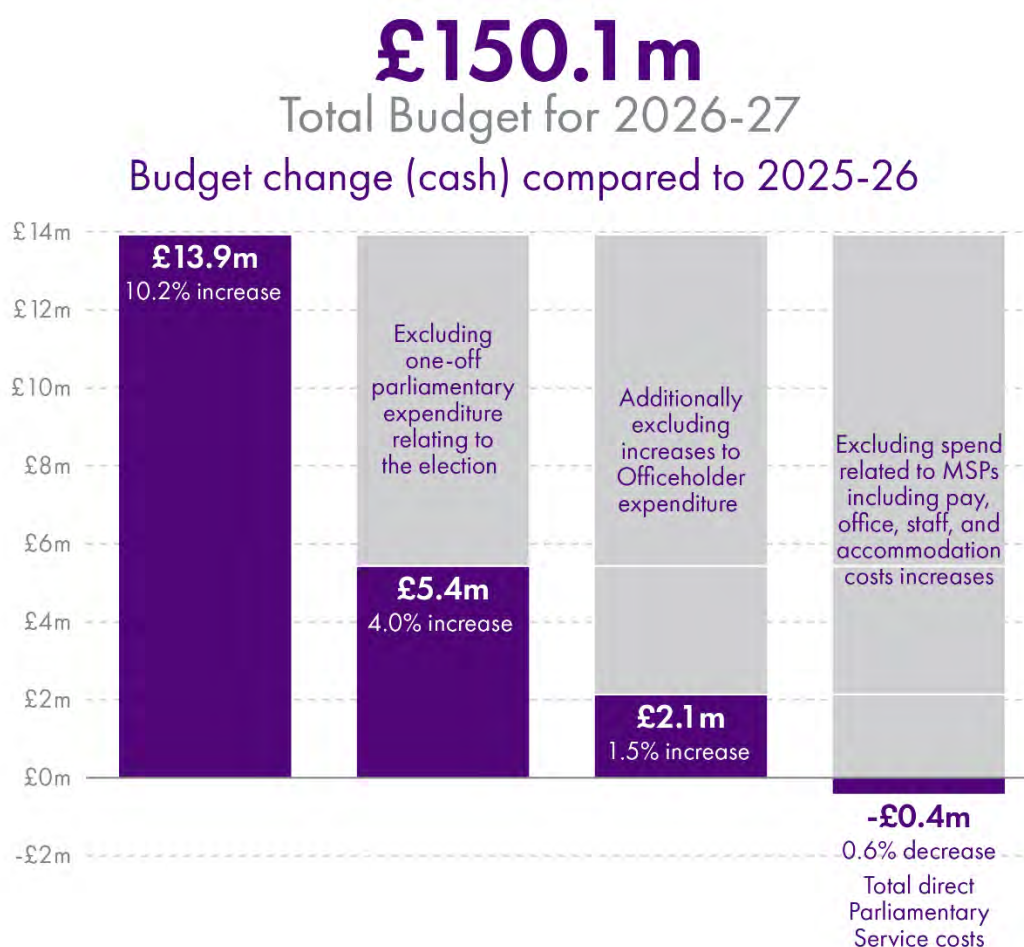


23. The breakdown of expenditure highlighted above makes clear the lack of discretion within the SPCB's budget. Although this means that there is limited scope for making savings and efficiencies, it does not prevent ongoing work to ensure value for money and efficient spend. Our budget process, as well as work embedded across the organisation in business-as-usual activities, emphasises the need to identify and deliver efficiencies and reform where possible to ensure best value and respond to the difficult financial climate. This is balanced against the need to continue to deliver excellent support to Members, ensuring the efficient delivery of parliamentary business and their work as representatives. Strong financial governance remains pivotal to this approach supported by leadership across SPCB and the wider organisation.
24. As noted above, a key pillar of this work and our strategy going into Session 7 is the need to transform how we use our resources and approach every aspect of our business. We are seeking to drive efficiencies in every aspect of our delivery while ensuring that the quality of that delivery remains a priority. This means embracing new processes and technologies where they add value and making difficult but necessary choices about our services and facilities. Transforming the

way we work will also allow us to ensure we have the right skills to deliver as well as ensuring a more flexible and agile workforce.

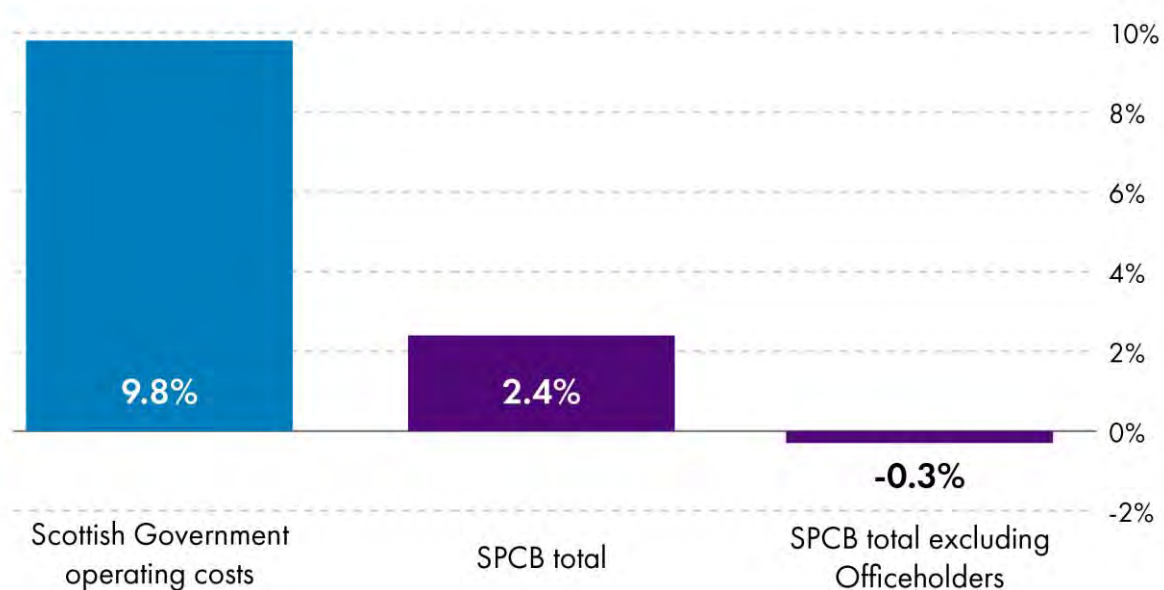
25. While detailed plans and forecasts will be laid out in the Medium-Term Financial Plan and corresponding delivery plans, work is already underway to ensure that we are delivering efficiencies and embedding continuous improvement and reform across the organisation and all its activity. The MTFP will focus on longer-term funding plans and objectives and will provide clarity and focus for decision making, providing a clear path for sustainable financial planning and prioritisation. A significant element of the plan will be on how the SPCB and the Parliament plan to support and embed public service reform across Session 7 and beyond.
26. This work is evidenced within this budget bid where the year-on-year increase in parliamentary service costs, which are more 'controllable' from a budgetary perspective, is sitting at 3.1%. Once £2.5 million of one-off project spend relating to the election is removed, the total parliamentary service budget falls £0.4 million or 0.6%. This is a clear reflection of the ongoing effort across the organisation and its staff to drive efficiencies and savings, an effort that has been ongoing throughout Session 6.

**Image 4: Budget change (cash) between 2025-26 and 2026-27**



27. Between 2021-22 and 2026-27, the total SPCB budget increased by 10.4% in real terms. However, excluding Officeholders, the total budget increased by 6.5% in real terms over the period. Comparing this to the wider public sector is difficult, but the best comparison is with the Scottish Government's operating costs which cover core Scottish Government (SG) staff and associated operating and corporate running costs. Comparing the change in these operating costs over Session 6 (e.g. 2021-22 to 2025-26 – the last year for which SG operating costs are available), shows that comparative SPCB costs have **fallen** by 0.3% in real terms once Officeholders are excluded, compared to the SG which has increased by 9.8% in real terms over that period.

**Image 5: Comparison of the change in operating costs between the Parliament and Scottish Government: 2021-22 to 2025-26**



28. Examples of the efficiency savings, reform initiatives and prioritised spending decisions embedded within the 2026-27 budget bid include:

- Continuation of the vacancy factor of 5% which is valued at c£2.3 million.
- Absorption of the impact of introducing the shorter working week from March 2026 via enhanced productivity.
- Cisco Enterprise agreement – programme to consolidate all Cisco licence renewals and related support into a three-year enterprise agreement, saving over £0.4 million between 1 December 2024 and 30 November 2027. (See Annex 1 for detailed case study).
- Reduction of electricity bills/usage as part of wider sustainability efforts leading to a £0.1 million annual saving due to the introduction of LED lighting and other efficiencies generated by the recently introduced Building Energy Management System.



- Sharing of estate including housing the Electoral Management Board within Holyrood, the Ethical Standards Commissioner utilising space alongside other public bodies within Thistle House, and Bridgeside House which is occupied by a number of Officeholders to ensure best value. Work continues to understand where we can go further on sharing estate, especially with a view to bring more Officeholders within Holyrood.
- Making use of shared services including Oracle Fusion from the Scottish Government as well as encouraging shared services with our Officeholders in areas such as accounts production.
- Enhanced governance and scrutiny of project spend including more rigorous assessment and prioritisation resulting in initial bids of £8.4 million being reduced to a final settlement of £6.5 million, £0.5 million below indicative forecasts.
- Continued use of Scottish Government procurement frameworks to drive value for money in contracts. Recent efficiency savings include the Lobbying Register project where use of the framework contributed to savings in the region of £0.5 million over an eight-year period and in the Official Report System procurement where the movement from the initial price to the final agreed price saved £1.7 million over the seven-year contract (detailed case studies provided at Annex 2).

29. The budget also aims to absorb in-year cost pressures and any new demands from within existing resources, where possible. This is achieved by actively working to avoid silo mentalities, embedding a joined up and holistic approach to budget development and collaborative leadership across the organisation.

## **Project Expenditure Prioritisation**

30. Our Project budget is used to ensure that our critical assets and services continue to enable the continuity of service required by the SPCB and the Parliament as a whole. Additionally, this budget supports innovation and reform of our processes in areas such as digital and sustainability to ensure that we maintain our excellence in delivery and our role as a forward-looking Parliament. Project spend covers work to ensure that the Holyrood building is maintained on a sustainable basis and remains a secure and safe environment, that our IT and broadcasting systems support all users as well as parliamentary business and we provide the required support to Members in election years.

31. In considering what projects to take forward in any given year, the SPCB pays regard to a number of factors and tries to smooth out the level of required investment across years to avoid peaks and troughs in budget requirement as well as ensure there is a sustainable amount of change occurring at any one time. We also take decisions and prioritise projects thinking about our stewardship value, so that the Parliament and its assets continue to deliver in the long as well as the short term.



32. In generating and assessing project plans and business cases, the Investment Advisory Group (IAG), Senior Executive Team (SET) and the SPCB consider these in the context of longer-term plans and the overall SPCB strategy and underlying priorities. Two key prioritisation methods are used alongside traditional business case methodology to assess and arrive at finalised overall project plan and budget bid.
33. The first method involves assessing and rating projects against the following categories – Must-have, Should-have, Could-have or Won't-have, known as the MOsCoW methodology. 'Must-have' projects are those that must be carried out to ensure essential services continue and that compliance with legislation such as health and safety is maintained.
34. Within these categories, a weighted scoring system is then used to analyse each project and further prioritise against the following factors:
- Alignment with SPCB Strategy (30%)
  - Benefits and Change Impact (30%)
  - Risk (15%)
  - Deliverability (15%)
  - Sustainability (10%)
35. At this point, a detailed assessment and organisation-wide business case review and prioritisation exercise is conducted by the IAG with recommendations made to the SET as to which projects should go forward, be postponed or be rejected. The SET then discusses and reviews projects. Those that meet a certain spend threshold, impact on Members and/or are otherwise deemed sensitive, are then brought to the SPCB for final review and agreement.
36. Alongside this approach, we are also working to embed more structured medium-to-long term planning within offices, looking to forecast project requirements over the medium term to ensure that we are future proofing current work, making best use of efficiencies in timing and considering factors such as recesses for building availability. This longer-term planning and forecasting will then be embedded into our MTFP to ensure more robust and sustainable financial planning over Session 7 and beyond. This should ensure that we make best use of our scarce financial and people resources while ensuring a well-thought-out approach to project and infrastructure spending that minimises risk and aligns with our Session 7 Strategy.
37. This rigorous approach has already yielded benefits, with initial 2026-27 project bids of £8.4 million which, after prioritisation and assessment, have been reduced to £6.5 million (£0.5 million below the indicative budget).

## Budget Bid 2026-27 to 2027-28

38. Table 1 summarises the SPCB's current budget alongside its proposed budget for the period 2026-27 to 2027-28 based on the assumptions detailed below.

**Table 1 – Budget Bid for 2026-27 to 2027-28**

Budget line	Budget 2025-26 (£m)	Budget Bid 2026-27 (£m)	Indicative 2027-28 (£m)
Staff Pay	42.9	44.3	45.7
Staff Related and General Costs	0.8	1.0	1.0
Property Costs	10.3	10.4	10.6
Running Costs	8.2	8.4	8.6
<b>Recurring Annual Costs</b>	<b>62.2</b>	<b>64.1</b>	<b>65.8</b>
Resource and Capital Projects	6.3	6.5	8.0
<b>Total Parliamentary Service Costs</b>	<b>68.5</b>	<b>70.6</b>	<b>73.8</b>
MSP Pay	15.3	15.9	16.3
MSP Office, Staff and Accom Costs	30.3	31.7	32.9
Commissioners and Ombudsman Costs	21.4	24.7	24.2
<b>Total MSP and Officeholders Costs</b>	<b>67.0</b>	<b>72.3</b>	<b>73.4</b>
General Contingency	1.0	1.5	1.0
Election contingency	0.0	6.0	0.0
<b>Total Expenditure</b>	<b>136.4</b>	<b>150.3</b>	<b>148.1</b>
Less: - Income	-0.2	-0.2	-0.2
<b>Total Net Resource and Capital Expenditure</b>	<b>136.2</b>	<b>150.1</b>	<b>147.9</b>

39. The total budget requested in the bid for 2026-27 is £150.1 million. This represents an overall increase of £13.9 million on the 2025-26 budget. Excluding one-off parliamentary expenditure relating to the election of £8.5 million, the increase is £5.4 million or 4.0% compared to the 2025-26 budget.

40. Additionally, when increases to Officeholder expenditure of £3.4 million are removed (this includes one-off election related expenditure at the Electoral Commission and the addition of several new commissioners), the overall core Parliamentary budget increases by only £2.1 million or 1.5% which is a real terms reduction. Of this, spend related to MSPs, including pay, office, staff, and accommodation costs, increases by £2.0 million while **total direct Parliamentary Service costs reduce by £0.4 million** when one-off election project costs are removed.
41. The 2026-27 increase of £2.5 million from the 2026-27 indicative forecast is due to: additional election and general contingency cover (£1.5 million), additional resource requests from officeholders (£0.8 million) and inflation tracking higher than had been previously forecast (£0.7 million), offset by a reduction (£0.5 million) in project expenditure.
42. The indicative forecast for 2027-28 totals £147.9 million which is a reduction of £2.2 million on the 2026-27 budget or 1.5%. This reduction is due to the removal of one-off election related costs, which has been partially offset by inflationary increases as well as an increase in project related spend.
43. Projections for the 2027-28 indicative budget are based on the proposed 2026-27 budget with specific adjustments made to remove one-off election costs, to baseline known additional costs related to Officeholders, and to revise MSP expenditure in areas such as Party Leaders Allowance. We have continued to apply a blended inflationary rate which reflects forecasts for wage inflation as well as price inflation plus any known significant requirements.
44. The potential additional requirements in 2027-28 to the project budget are based on best estimates at this stage. The uplift reflects the fact that routine project work in areas such as IT and Facilities Maintenance was slowed in 2025-26 and 2026-27 to reflect additional work and resources required to deliver the enhanced parliamentary business at the end of Session 6 as well as the Election Programme. As a result, there is a backlog of work in these areas which has become critical to deliver. As noted above, work is ongoing to review all projects and business cases to ensure that spend is being prioritised and that options being pursued deliver value for money as well as meeting our Session 7 priorities and deliverables. This work will form a major part of our MTFP process, and as a result, this indicative forecast may change accordingly.

## Principal Budget Assumptions: 2026-27 to 2027-28

45. The principal assumptions underlying the budget bid for 2026-27 and our indicative budget for 2027-28 are set out below.

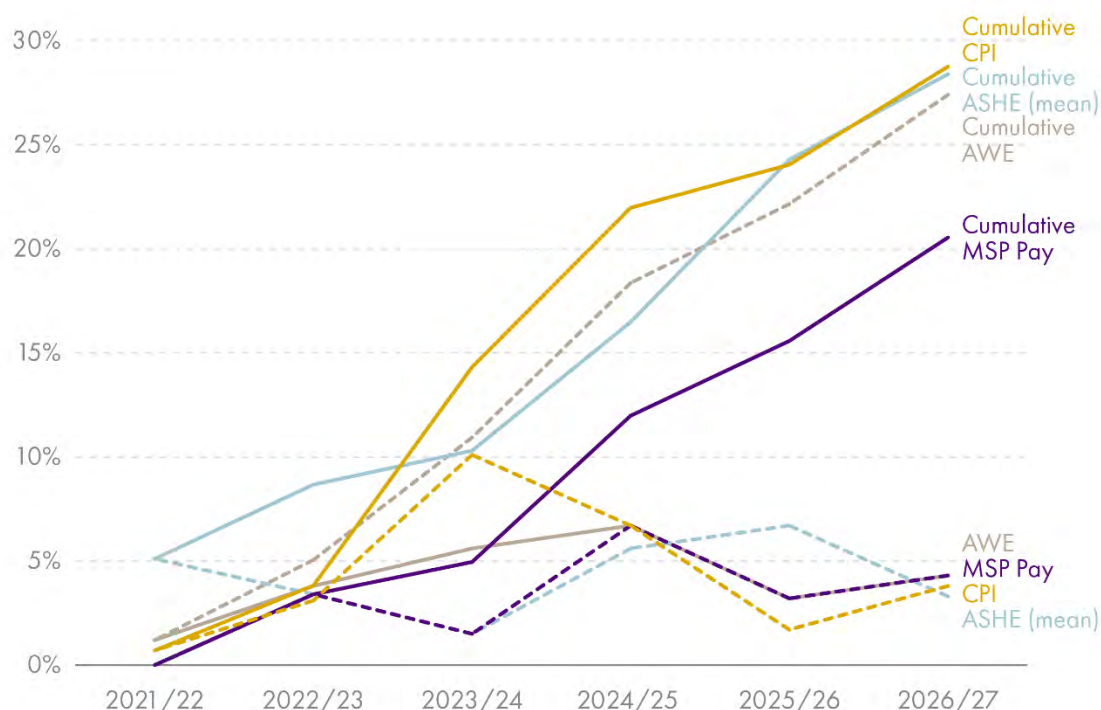
## **Pay and Pensions – SPS Staff**

46. As the two-year pay award covering 2024-25 and 2025-26 will have ended and the formal parliamentary staff pay award offer for 2026-27 has yet to be agreed, the proposed budget includes a suitable inflationary uplift and staff progression through pay scales. There is a risk as the final agreement is subject to pay negotiations. For 2027-28, we have made assumptions based on our usual methodology for a modest increase using inflation as the baseline and taking into account market trends. This is subject to uncertainty until the actual pay remit is settled.
47. The organisation continues to carry risk around its ability to meet the 5% vacancy target which will need to be managed carefully throughout the year given recent trends suggesting lower than anticipated turnover of staff. This 5% vacancy target amounts to £2.3 million in savings so failure to meet it could have a material impact.

## **MSP Pay**

48. From 2015-16 to 2023-24 inclusive, the MSP pay budget was calculated on the basis that pay was uprated on 1 April by the Annual Survey of Hours and Earnings (ASHE) index published annually in the previous autumn. The only exception to this was in 2021-22 when the SPCB unanimously agreed that, at a time of unprecedented economic crisis and hardship for so many households, it would be inappropriate for the ASHE index (5.1%) to be applied, agreeing instead to forgo a pay rise that year.
49. The objective of applying a consistent index was to enable a level of certainty around these salary costs and, as a result, financial planning/sustainability. That certainty has been tested during recent years of high inflationary volatility, with ASHE being lower than the other wage inflation indicators in 2022-23, 2023-24 and 2024-25. In 2024-25, despite expectations of a “catch-up”, ASHE remained below the other wage inflation indicators and as such the SPCB chose to adopt the annualised Average Weekly Earnings (AWE) index instead of ASHE. Prior to 2015-16, MSP salaries were linked to MP salaries.
50. For the purposes of 2026-27, 4.3% has been applied which is consistent with the AWE annualised index as at September 2025. It should be noted that MSP salaries continue to sit below counterparts in Westminster and the Senedd. Over the period 2021-22 to 2026-27, MSP pay is lagging 8.2 percentage points below CPI which equates to c£5,300 over the period or a 2026-27 MSP salary of c£83,000 rather than £77,710 had indexation been in line with CPI.

**Image 6: Comparison of different indices against MSP Pay on a cumulative and an annual basis: 2021-22 to 2026-27**



## MSP Staff Cost Provision

51. The Reimbursement of Members' Expenses Scheme requires the SPCB to adopt an index for uprating the staff cost provision or "pot" by which Members employ their staff. This is not a pay award for MSP staff, rather a means to increase the overall provision. Members as employers consider the number and types of roles they need and suitable pay awards within this provision.
52. For both 2024-25 and 2025-26 budgets, the SPCB applied the annualised AWE to uplift the MSP Staff Cost Provision (SCP). This was a move away from the basket approach of indexing Staff Cost Provision annually using a mix of AWE and the ASHE index which had been adopted since 2021-22. On this basis, the SCP has been uplifted by 4.3% in the budget, reflecting the annualised AWE index as at September 2025.
53. For budgeting purposes, an assumed uptake of 93% has been applied to determine the overall budgeted cost of SCP. This rate reflects average take up of the SCP and has been used since the 2023-24 budget (previous rate was 95% but a review of actuals in 2022 showed the average amount to be 93%). However, there is a risk that with a potentially significant new MSP intake into the Parliament for Session 7, the take up rate could change. This would mean additional pressure on budgets if take up increases (which is the more likely scenario). Work will be done to monitor take up over 2026-27 and future budget bids from 2027-28 onwards will need to be revised accordingly.

## **MSP Office and Accommodation Costs**

54. The 2026-27 budget bid includes an allocation for MSP office, accommodation and 'other' costs that provides for an uplift of 4.5% based on use of the RPI All Items index. Due to inflation being higher than forecast when indicative budgets were set during the budget process last year (when 2.3% was assumed), this uplift has created an additional cost of £0.33 million.
55. The budget also includes increases relating to SPCB approval of widened access to Party Leaders Allowance at an additional cost of less than £0.1 million in 2026-27 and the potential requirement to fund additional regional offices with increased budget requirement of up to £0.2 million due to high likelihood of a new party/ies in rural regions. This is a recurring cost so has been baselined into the 2027-28 indicative budget.

## **Commissioners and Ombudsman**

56. The Officeholders' 2026-27 budget submissions total £24.7 million which is £3.4 million (15.7%) higher than the current year and £0.8 million or 3.5% higher than the indicative. The main changes in this budget line from 2025-26 are:
- Additional costs in the Electoral Commission (EC) of £1.7 million (reflecting additional work associated with delivering the 2026 Scottish Parliament Election and the 2027 Scottish council Elections with total EC election related spend equalling £2.8 million).
  - £0.6 million of costs relating to two new officeholders not included last year – the Patient Safety Commissioner for Scotland and the Electoral Management Board for Scotland.
  - A range of inflationary driven costs impacting pay, lease costs at Bridgeside House, rates, and utilities.
57. As noted above, this budget includes bids relating to the Patient Safety Commissioner for Scotland and the Electoral Management Board. The Patient Safety Commissioner took up post on 1 September 2025. As the Scottish Government meet the set-up costs and the first year running costs, this means the budget bid is for part of the year (1 September 2026 to 31 March 2027). Full year costs are included in the 2027-28 indicative figure. The Electoral Management Board will be supported by the SPCB from 1 April 2026 and as such a full-year's budget bid is included in the SPCB's overall budget for this year.
58. The Officeholders' share of the total SPCB Budget continues to grow, increasing from 15.7% in 2025-26 to 16.5% in 2026-27. An analysis of Officeholders' budget bids is provided in Schedules 4a and 4b.

# Annex 1 - Case Study: Cisco Enterprise Agreement

The Scottish Parliament's Digital Services group faced challenges in budgeting for Cisco licence renewals due to unpredictable installation dates, inflation, and fragmented procurements. To address this, the Digital Services group worked with its Software Services contractor to establish a three-year Cisco Enterprise Agreement to consolidate all licences under a single contract, similar to the Parliament's Microsoft Enterprise Agreement.

## New Enterprise Agreement

The new Enterprise Agreement provides licences and relevant support for the Parliament's networking infrastructure (network monitoring, switches, network, firewalls, security). The new Enterprise Agreement saw the Digital Services group move away from purchasing Cisco software à la carte and adding licences over time with multiple licensing agreements and different end dates to a single contract, with a single end date that would deliver cost predictability and agility needed to ensure the Parliament can achieve efficiencies and work more streamlined.

## Financial Savings

The estimated savings to the Scottish Parliament budget for the period 1 December 2024 to 30 November 2027 is £0.4 million. This is based on no changes to what was included at the start of this agreement.

## Stakeholder Impact

**Finance Office:** Gains budget predictability from Digital Services group and reduced administrative workload in managing multiple pre-payments.

**Digital Services:** Ability for more accurate budget requests. Benefits from streamlined licence management, receive improved Cisco discounts for future licence purchases (compared to stand alone discounts), ability to pay pro-rata charges not full year licence cost and supplier support.

**Senior Management:** Gains visibility into financial commitments and savings.

**External Partners:** Strengthened collaboration for the Digital Services Group with its Software Services contractor and Cisco.

## Key Benefits of Cisco Enterprise Agreement:

- **Financial Predictability:** Fixed pricing eliminates price increases during the 3-year term, giving Digital Services the ability to forecast software licensing spend over the term of the agreement.
- **Cost Savings:** Achieved through discounts on future purchases, pro-rated costs instead of full year, elimination of unnecessary licenses.

- **Simplified Management:** Consolidates multiple licenses into a single, co-terminated agreement and provides a centralised management portal to view all licences allowing easy tracking and incident management.
- **Scalability and Flexibility:** Features like True Forward allow the Parliament / Digital Services to deploy new functionality and licenses on-demand as their needs grow. This means hardware can be purchased in advance and licences activation deferred until required.
- **Enhanced Security:** having the correct licences in place to facilitate patching and updates to ensure a secure network environment.

## Conclusion

The Cisco Enterprise Agreement offers a strategic, cost-effective solution to licensing challenges. It ensures financial predictability, operational efficiency, and enhanced supplier support. This will bring future savings when the Digital Services group look to change, enhance or expand its network infrastructure. Overall Digital Services achieved value for money in terms of Economy (spending less), Efficiency (spending well) and Effectiveness (spending wisely).



## Annex 2 - Procurement Services – Optimising Value

One of the five focus areas within the [Corporate Procurement Strategy](#) is “Optimising Value”. Our procurement function applies sound commercial acumen throughout the procurement cycle to drive efficiency, maximise competition and deliver value for money. The examples below provide details of financial savings that have recently been delivered.

### Framework Savings

We have access to a number of collaborative framework agreements, including a suite of agreements put in place by Scottish Procurement for use by Scottish public sector organisations. When planning a procurement, consideration of existing frameworks is a key area for research – identifying whether the scope is suitable, whether it meets our priorities in terms of sustainability and supply chain policies, and how pricing compares to the general market.

Using an existing framework agreement delivers resource savings as there is no requirement to carry out a full procurement exercise. We calculate this resource saving based on the savings methodology provided by the Scottish Government. Resource savings by using framework agreements in 2024-2025 amounted to £36k.

Use of frameworks can also deliver savings over the life of the contract, by benefitting from keener pricing leveraged by the buying power of multiple public sector organisations. Scottish Procurement has advised that through its frameworks SPCB total savings delivered in 2024-2025 were £0.35 million.

**Table 2: Breakdown**

Contract	Total Spend	Total Saving	Saving as % of spend
Water and Waste Water	£352,730	£90,356	25%
Temporary and Interim Staff (multiple suppliers)	£588,774	£62,783	11%
Supply of Electricity	£1,100,367	£58,708	5%
Mobile Computing Devices	£64,080	£48,131	75%
Creative Services	£88,348	£21,204	24%
Mobile Voice and Data Services	£41,935	£16,735	40%

Legal Services	£61,487	£24,339	40%
Visitor Survey & Toolkit	£22,300	£5,352	55%
Supply of Natural Gas	£190,632	£5,216	3%
Software (incl. Case Management and Petitions Systems)	£537,519	£4,967	1%
Vehicle Hire	£8,632	£4,747	55%
Postal Services	£81,335	£3,253	4%
IT Peripherals and Infrastructure	£8,724	£2,093	24%
Recruitment Advertising	£15,550	£2,030	13%
General Office Supplies	£24,552	£1,699	7%
News Release Distribution	£2,875	£1,035	36%
Media Planning and Buying	£19,260	£963	5%
Travel and Accommodation	£31,817	£192	1%
Desktop Client Devices	£1,450	£164	11%
Vehicle Hire	£2,718	£136	5%
Web Based and Proprietary Devices	£784	£128	16%
Recruitment Advertising	£4,909	£98	2%
Multifunctional Devices	£829	£83	10%

Market research carried out before the procurement starts is a key factor in deciding whether a framework agreement offers the best value solution. The two case studies below illustrate the benefits that can be delivered by different approaches.

## Case study 1 - Lobbying register

Options considered included using an existing framework agreement, retaining the existing supplier to upgrade the system or carrying out a competitive tender.

Although using the framework agreement would be a quick route to market that require less procurement resource, the service proposal and costs for suppliers were pre-defined, so there was no opportunity to refine the proposals to align with our requirement.

After an initial market research period the decision was made to deliver our own competitive tender. This allowed us to invite bespoke proposals

and therefore delivered cost reductions that would not have been achievable through the framework agreement.

Estimated savings and cost avoidance (based on comparing a competitive tender procurement with an award via the existing framework) were £55k per annum, or c£0.5 million over the eight-year contract period (approximately a 38% reduction).

The contract costs achieved through competitive tender also compared favourably to retaining the incumbent supplier while implementing system modifications and enhancements. Estimated savings from this exercise range from £5 to £25k per annum, equating to between £45k (4%) and £0.3 million (25%) over the eight-year contract period.

## **Case study 2- Official report system**

Use of a suitable framework agreement allowed us to invite an initial proposal from the supplier and then enter into a negotiation phase. The negotiation led by the Procurement Manager optimised value by delivering a lean commercial approach whilst ensuring that the full SPCB requirements were met. This approach required the supplier to refine their bid, resulting in cost reductions across all areas of delivery. Overall estimated savings and cost avoidance against the initial proposed price amounted to £0.24 million per annum, equivalent to £1.7 million over the seven-year contract (approximately a 70% reduction).

The largest one-off decrease in setup costs came from configuration and customisation, removing contingency allowances, and cutting implementation travel costs. Ongoing costs were reduced through lower licence and module fees and by eliminating separate hosting charges, which are now included within the base fee following a change to the hosting arrangement as well as reducing on-site maintenance costs.

**Total Budget Requirement**

	<b>Budget 2025-26 £'000</b>	<b>Budget Bid 2026-27 £'000</b>	<b>Indicative 2027-28 £'000</b>
<b>A) RESOURCE</b>			
Net Resource Expenditure (Schedule 2)	135,181	149,096	146,902
<b>B) CAPITAL</b>			
Capital Expenditure (Schedule 2)	1,000	1,000	1,000
<b>C) TOTAL EXPENDITURE EXCLUDING CAPITAL CHARGES AND NON CASH ITEMS</b>			
Net Resource and Capital Expenditure	136,181	150,096	147,902
<b>D) CAPITAL CHARGES AND NON CASH ITEMS</b>			
Total Capital Charges and non cash items (Schedule 3)	16,900	16,860	18,063
<b>E) TOTAL EXPENDITURE INCLUDING CAPITAL CHARGES AND NON CASH ITEMS (C+D)</b>			
<b>Total Net Expenditure</b>	<b>153,081</b>	<b>166,956</b>	<b>165,965</b>

**Schedule 2**

	Budget 2025-26 £m	Budget Bid 2026-27 £m	Indicative 2027-28 £m
<b><u>Net Resource and Capital Budget</u></b>			
<b>Recurring Annual Costs</b>			
Staff Pay	42.9	44.3	45.7
Staff Related and General Costs	0.8	1.0	1.0
Property Costs	10.3	10.4	10.6
Running Costs	8.2	8.4	8.6
	<b>62.2</b>	<b>64.1</b>	<b>65.8</b>
<b>Projects and One-Off Costs</b>			
Resource and Capital Projects	6.3	6.5	8.0
<b>Total Parliamentary Service Costs</b>	<b>68.5</b>	<b>70.6</b>	<b>73.8</b>
<b>MSP and Officeholders' Costs</b>			
MSP Pay	15.3	15.9	16.3
MSP Office, Staff and Accom Costs	30.3	31.7	32.9
Commissioners and Ombudsman Costs	21.4	24.7	24.2
<b>Total MSP and Officeholders Costs</b>	<b>67.0</b>	<b>72.3</b>	<b>73.4</b>
<b>General Contingency</b>	1.0	1.5	1.0
<b>Election contingency</b>	0.0	6.0	0.0
<b>Total Expenditure</b>	<b>136.4</b>	<b>150.3</b>	<b>148.1</b>
<b>Less:- Income</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Total Net Resource and Capital Expenditure</b>	<b>136.2</b>	<b>150.1</b>	<b>147.9</b>

## **Finance Committee Briefing January 2026 - SPCB Net Resource and Capital Budget**

The net resource and capital expenditure of the SPCB is forecast to increase from £136.2 million in 2025-26 to £150.1 million in 2026-27, an increase of £13.9 million (10.2.%) and £2.5 million (1.7%) on the 2026-27 indicative budget.

The main elements of the 2026-27 budget compared to 2025-26 are:

<b>Staff Pay</b>	<b>Budget 2025-26 £m</b>	<b>Budget Bid 2026-27 £m</b>	<b>(Increase)</b>	
			<b>£m</b>	<b>%</b>
Staff Pay	42.9	44.3	(1.4)	(3.2%)
<p>Staff pay including use of contractors is budgeted at £44.3 million, a net increase of £1.4 million (3.3%) on the 2025-26 budget and in line with the indicative for 2026-27.</p> <p>The increase to staff pay reflects the inflationary uplift built into the indicative, noting that pay negotiations for 2026-27 have yet to conclude, and staff progression through pay scales.</p> <p>We know from experience that staff turnover reduces the actual cost of staff employed. The vacancy gap assumption was changed to 5% in 2024-25 and continues to be applied to the 2026-27 budget. The 2026-27 staff pay budget has been reduced by £2.3 million as a result of this target.</p> <p>The Modern Apprentice programme was reinstated in 2025-26 and continues into 2026-27.</p>				

<b>Staff Related Costs</b>	<b>Budget 2025-26 £m</b>	<b>Budget Bid 2026-27 £m</b>	<b>(Increase)</b>	
			<b>£m</b>	<b>%</b>
	0.9	1	(0.1)	(10%)
<p>Staff related costs are budgeted at £0.9, an increase of £0.1 million (10%) on the current year budget.</p> <p>Corporate training and development costs have risen by £30k (8.6%). Uplifts have been applied based on recent sector trends and inflationary pressures resulting in an increased spend per FTE of £27. There is also an increasing demand for digital, leadership and compliance training and the expansion of the strategic workforce planning approach. Incorporated in this increase are Reed Learning costs which are increasing by almost £15k and recruitment advertising of £10k.</p> <p>Travel and expenses budgets have increased by £22k (7.8%). This budget includes provision for Committee travel and associated costs which account for £17k of this increase, this being due to newly established committees in July and August 2026</p>				

which tend to see increased travel in year 1 of the session, with an anticipated reduction in future years.

There was no staff survey undertaken in 2025-26, so the 2026-27 forecast incorporates a budget increase of £5k to cover the cost of the survey. Weekly 10 costs for 2026-27 have increased by £6k and were underbudgeted in 2025-26. Weekly 10 is the Parliament's performance and engagement tool for staff.

Property Costs	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase)	
			£m	%
	10.3	10.4	(0.1)	(1%)

Holyrood related property costs for 2026-27 amount to £10.4 million, a net increase of £0.1 million (1%) on the current year.

Holyrood Property Costs comprise: - £m	
Rates	4.4
Maintenance	3.1
Utilities	1.8
Cleaning	0.9
Other	0.2
	<b>10.4</b>

The rates budget of £4.4 million accounts for 42% of total property costs and is projected to be £71k (1.7%) higher than the current year. CPI has been applied to the 2025-26 actual cost to arrive at the 2026-27 forecast.

Maintenance costs are projected to increase by £59k (1.9%) which is below inflation. This incorporates annual contract price increases off-set by significantly reduced running costs for the new installed Building Energy Management System (BEMS).

The cleaning budget will increase by £64k (7.4%) this covers both CPI and Living Wage increases. This year also includes a reduction of £25k to account for sickness absence.

Budget for electricity has reduced by £100k on 2025-26, due largely to the introduction of LED lighting and efficiencies generated by BEMS alongside more stable pricing.

Running Costs	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase)	
			£m	%
	8.2	8.4	(0.2)	(2.4%)
Holyrood running costs comprise of the following:				
		£m		
• IT Maintenance/Support & Telecoms		1.3		
• Software Support & Licences		2.9		
• Restaurant Services		0.8		
• Printing & Digital Publications		0.5		
• Postage & Stationery		0.2		
• Research Services & Materials		0.5		
• Service Contracts		0.8		
• Public Engagement		0.4		
• Other		1.0		
		<u>8.4</u>		
Running costs of £8.4 million mainly consist of the SPCB’s outsourced contracts for the provision of goods and services and show an increase of £0.2 million (2.4%) on the 2025-26 budget.				
The increase on 2025-26 is mainly due to:				
<ul style="list-style-type: none"><li>• An increase in restaurant services costs of £0.1 million driven by lower anticipated business volumes during the election period and an inflationary increase to labour cost. There may be a period of double running for the period April to July if a new supplier is awarded the contract, £46k has been built in to cover this.</li><li>• Software licenses have increased by £0.2 million, due to inflationary increases and fluctuating exchange rates. Included in this increase is £65k which is a recharge from the Scottish Government relating to the Oracle Fusion. This increase is partly offset by savings of c£0.1 million on both general and bespoke software support, where due diligence is constantly being performed to ensure value for money is being achieved.</li></ul>				
A new Cisco Enterprise agreement has been put in place from 2025-26 generating savings of £0.5 million over the next three years. Also, a negotiated three-year deal with Citizen Space has been paid upfront and spread over the period, resulting in 2026-27 savings of nearly £34k.				



Projects	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase)	
			£m	%
Resource	5.3	5.5		
Capital	1.0	1.0		
<b>Total</b>	<b>6.3</b>	<b>6.5</b>	<b>(0.2)</b>	<b>(3.2%)</b>

The total amount incorporated in the 2026-27 budget for resource and capital projects is £6.5 million, which is a £0.2 million increase on the 2025-26 budget and £0.5 million less than the 2026-27 indicative budget. However, £2.5 million of this relates to one-off election costs.

The project expenditure budget funds both the planned replacement of existing infrastructure (e.g. IT, broadcasting and security systems and equipment) and investment to make improvements to the Parliament's services and facilities (e.g. the development of better digital services and changes to make better use of the building).

Projects to be funded in the 2026-27 budget include:

	2026-27 £000	Description
<b>Grouped Programmes</b>		
Business IT/Digital	550	<b>IT Operational projects.</b> Projects to update or replace the technology assets used to support and run the business of the Parliament, as well as the tools required to manage these assets effectively. This includes projects to improve our cyber security and resilience and to buy additional laptops and smartphones for new users and to replace broken or aging equipment
	134	<b>Digital Business projects</b> Lobbying Register Upgrade – <b>see table below</b>
	45	Other Digital tools.
Facilities Management	655	Building Fabric Maintenance
	541	Mechanical and Electrical Systems Maintenance
	125	Office Moves, Changes and Work Requests
	50	Service Procurement and Consultancy Advice
	253	Chamber Dais Accessibility - <b>see table below</b>
	500	Switch Room and Cabling Upgrade – <b>see table below</b>
	100	Car Park Sprinkler System - <b>see table below</b>
Broadcasting	750	Committee Room Conferencing system – <b>see table below</b>
Election 26	2,510	Election 2026 – <b>see table below</b>
Other	67	Fire Safety Assurance
	165	Allowances Temporary Staffing
	55	Lobbying Register Temporary Staffing
<b>Total</b>	<b>6,500</b>	

Major Multi Year Projects	Portfolio	Start year	Project length	Costs to date £'000	2026-27 Budget £'000	Forecast Total Cost £'000	Commentary
<b>Previously Advised</b>							
<b>Lobbying Register Replacement</b>  The Lobbying Register website and functional database was developed in 2017 and went live on 12 March 2018. The five-year contract with the current contractor has been extended to its limit of four additional years, and finally ends on 2 October 2026.	Digital	2024-25	3 years	250	134	384	Full Business case agreed. Range £350-£400k. Reduced from previous estimate of £400-£500k.
<b>2026 Scottish Parliament Election</b>  Work involved in supporting returned, non-returning and new Members in relation to the 2026 Scottish Parliamentary election. Includes costs for IT hardware and close down/set up of Members local offices and supporting Members around their office staffing. Also includes Session 7 Opening ceremony and Kirking.	Election	2025-26	3 years	780	2,510	3,300	Outline Business case approved (Range £2.65m - £3.35m)
<b>NEW</b>							
<b>Committee Room Conferencing System</b>  This project covers the replacement of obsolete consoles that will interface with our existing hybrid conferencing and camera control systems, and in addition develops the digital display systems in the rooms to	Broadcasting	2025-26	3 years	40	750	1,783	Outline Business case approved. Subject to tender exercise (Range £1.65m - £1.90m)

meet the growing expectations of Members and all user groups, and match functionality seen in UK Parliament, Northern Ireland Assembly and the Senedd committee rooms.							
<b>Chamber Dais</b>  Reconfiguration and repositioning of the debating Chamber Dais to make accessible for wheelchair users and users with mobility issues.	Facilities	2025-26	2 years	70	255	325	Outline Business case approved Subject to tender exercise (Range £300k - £350k)
<b>Switch Room &amp; Fire Safety Improvements</b>  Installation of enhanced fire protection measures to improve resilience of electrical infrastructure and safety systems in the Holyrood building	Facilities	2025-26	2 years	200	500	700	Outline Business case approved, subject to tender exercise (Range £600k - £800k)
<b>Car Park Sprinkler System</b>  Installation of water sprinkler system in the Holyrood car park to improve building resilience	Facilities	2026-27	2 years	100	500	600	Outline Business case approved, subject to tender exercise (Range £500k - £700k)

MSP Pay	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase)	
			£m	%
	15.3	15.9	(0.6)	(3.9%)
<p>From 2015-16 to 2023-24 inclusive, the MSP pay budget was calculated on the basis that pay was uprated on 1 April by the Annual Survey of Hours and Earnings (ASHE) index published annually in the previous autumn. The only exception to this was 2021-22 when the SPCB unanimously agreed that, at a time of unprecedented economic crisis and hardship for so many households, it would be inappropriate for the ASHE index (5.1%) to be applied, agreeing instead to forgo a pay rise that year.</p> <p>The objective of applying a consistent index was to enable a high level of certainty around these salary costs. That certainty has been tested during recent years of high inflationary volatility, with ASHE being lower than the other wage inflation indicators in 2022-23, 2023-24 and 2024-25. In 2024-25 despite expectations of a “catch-up”, ASHE remained below the other wage inflation indicators and as such the SPCB chose to adopt the annualised Average Weekly Earnings index (AWE) instead of ASHE. Annualised AWE has been applied in 2024-25 and 2025-26 and again in the 2026-27 budget.</p> <p>On this basis, a 4.3% uplift has been applied to 2026-27 MSP pay which is consistent with the AWE annualised index as at September 2025.</p>				

MSP Staff and Office Costs	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase)	
			£m	%
	30.3	31.7	(1.4)	(4.6%)
<p>For both 2024-25 and 2025-26, the SPCB applied the annualised Average Weekly Earnings (AWE) to uplift the Staff Cost Provision (SCP) in a move away from the basket approach of indexing Staff Cost Provision using a mix of Average Weekly Earnings (AWE) and the ASHE index which had been adopted since 2021-22. On this basis, the SCP has been uplifted by 4.3% in the budget in line with annualised AWE as at September 2025.</p> <p>For budgeting purposes, an assumed uptake of 93% is applied to determine the overall budgeted cost of SCP. This rate reflects average take up of the SCP and has been used since the 2023-24 budget (previous rate was 95% but a review of actuals in 2022 showed the average amount to be 93%). However, there is a risk that with a potentially significant new MSP intake into the Parliament for Session 7, the take up rate could change. This would mean additional pressure on budgets if take up increases (which is the more likely scenario). Work will be done to monitor take up over 2026-27 and future budget bids from 2027-28 onwards will need to be revised accordingly.</p> <p>It should be noted that Members as employers, within the overall pay ranges, can determine the cost-of-living award to their staff so long as it is affordable.</p>				

The 2026-27 budget proposal includes an allocation for MSP office, accommodation and other costs that provides for an uplift of 4.5% based on use of the RPI All Items index.

The budget also includes increases relating to SPCB approval of widened access to Party Leaders Allowance at an additional cost of £88k in 2026-27 and the potential requirement to fund additional regional offices with increased budget requirement of £0.2 million due to high likelihood of new party/ies in rural regions. This is a recurring cost so has been baselined into the 2027-28 indicative budget.

Commissioners & Ombudsman	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase) £m %	
	21.4	24.8	(3.4)	(15.9%)

The Officeholders 2026-27 budget submission totals £24.7 million, £3.4 million (15.9%) higher than current year and £0.8 million (3.5%) higher than the 2026-27 indicative.

The largest increase on 2025-26 relates to the Electoral Commission's bid which has increased by £1.7 million as a result of additional costs relating to the 2026 Scottish election and 2027 Scottish Local Authority elections.

Additional increases compared to 2026-27 indicative bid include:

- Scottish Public Sector Ombudsman £0.3 million – additional inflationary pay and rent uplift.
- Electoral Commission £0.3 – additional election-related elements.
- Scotland's Information Commissioner £0.1 million – related to resourcing pressures due to higher than anticipated demand.

Careful consideration has been given to incorporate known increases such as pay awards, increments and rent increases rather than applying a blanket percentage to the 2027-28 indicative.

A detailed analysis of the Officeholders' budget bids is provided in schedules 4a and 4b.

Contingency	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase)	
			£m	%
General	1.0	1.5	(0.5)	(50.0%)
Election	0.0	6.0	(6.0)	
<p>In line with previous years and the 2026-27 indicative, the budget bid contains a general contingency bid to cover:</p> <ul style="list-style-type: none"> <li>○ a prudent contingency for emergencies.</li> <li>○ potential operational cost pressures, which are not yet confirmed</li> </ul> <p>Funding for Election Contingency of £6 million is included for 2026-27. This is a one-off cost related to the May 2026 election so there is no comparable amount in the 2025-26 budget. The funding includes a £1 million uplift from the 2026-27 indicative budget, which reflects a more informed perspective now than when the indicative was set. That more informed perspective includes the potential for a higher than anticipated number of new Members/parties and change in costs including regional offices and expenditure assumptions.</p>				

Income	Budget 2025-26 £m	Budget Bid 2026-27 £m	Decrease	
			£m	%
	(0.2)	(0.2)	0	(0%)
<p>The projected income of £0.2 million relates principally to the Parliament shop and is in line with the 2025-26 income with a shop review ongoing. This is based on a normal year of opening to the public alongside the online shop offering.</p>				

Total Net Resource & Capital Expenditure	Budget 2025-26 £m	Budget Bid 2026-27 £m	(Increase)	
			£m	%
	136.2	150.1	(13.9)	(10.2%)

**Capital Charges (Schedule 1)**

Capital charges and non-cash items	Budget 2025-26 £m	Budget Bid 2026-27 £m	Increase	
			£m	%
<b>DEL</b>				
Depreciation	14.8	14.8	0	0%
Audit fee	0.1	0.1	0	0%
<b>Total DEL capital charges and non cash items</b>	<b>14.9</b>	<b>14.9</b>	<b>0</b>	<b>0%</b>
<b>AME</b>				
Pension finance cost (net)	2	2	0	0%
<b>Total AME capital charges and non cash items</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0%</b>
<b>Total capital and non cash charges DEL + AME</b>	<b>16.9</b>	<b>16.9</b>	<b>0</b>	<b>0%</b>
<p>Depreciation on the Holyrood Building and Fixed Plant is calculated based on the valuation figures and estimated useful lives as at 31 March 2025, uplifted for forecast indexation as at 31 March 2026.</p> <p>The pension finance Annually Managed Expenditure (AME) charge represents provision for the notional funding costs for the Members' Pension Fund arising from the movement of actuarial factors.</p>				

Commissioners and Ombudsman Budget Bid 2026-27

Office	Budget Allocation 2025-26 £'000	Indicative Bid 2026-27 £'000	Budget Bid 2026-27 £'000	2026-27 (Increase)/decrease vs 2025-26 Budget		Indicative 2026-27 v Bid 2026-27		Indicative 2027-28 £'000	Indicative 2027-28 v 2026-27 Bid	
	£'000	£'000	£'000	£'000	%	£'000	%	£'000	£'000	%
Scottish Public Services Ombudsman	7,187	0	7,660							
Co-location accommodation (Note 1)	706	0	790							
<b>Sub total</b>	<b>7,893</b>	<b>8,139</b>	<b>8,450</b>	<b>(557)</b>	<b>(7.1%)</b>	<b>(311)</b>	<b>(3.8%)</b>	<b>8,727</b>	<b>(277)</b>	<b>(3.3%)</b>
Scottish Information Commissioner	2,564	2,644	2,750	(186)	(7.3%)	(106)	(4.0%)	2,863	(113)	(4.1%)
Commissioner for Children and Young People in Scotland	1,763	1,818	1,846	(83)	(4.7%)	(28)	(1.6%)	1,911	(65)	(3.5%)
Scottish Commission for Human Rights	1,557	1,605	1,695	(138)	(8.9%)	(90)	(5.6%)	1,911	(216)	(12.8%)
Commissioner for Ethical Standards in Public Life in Scotland	1,913	1,972	1,961	(48)	(2.5%)	11	0.5%	2,022	(61)	(3.1%)
Standards Commission for Scotland	373	385	408	(35)	(9.4%)	(23)	(6.0%)	423	(15)	(3.7%)
Electoral Commission	4,306	5,640	5,964	(1,658)	(38.5%)	(324)	(5.7%)	4,279	1,686	28.3%
Biometrics Commissioner	529	545	562	(33)	(6.2%)	(17)	(3.0%)	581	(19)	(3.4%)
Patient Safety Commisisoner	0	670	336	(336)	0.0%	334	49.9%	533	(197)	100.0%
Electoral Management Board	0	0	277	(277)	0.0%	(277)	0.0%	286	(9)	100.0%
<b>Total</b>	<b>20,898</b>	<b>23,418</b>	<b>24,249</b>	<b>(3,351)</b>	<b>(16.0%)</b>	<b>(831)</b>	<b>(3.5%)</b>	<b>23,536</b>	<b>713</b>	<b>2.9%</b>
Central contingency for legal action, staffing etc	500	500	500	0	0.0%	0	0.0%	625	(125)	(25.0%)
<b>Grand Total</b>	<b>21,398</b>	<b>23,918</b>	<b>24,749</b>	<b>(3,351)</b>	<b>(15.7%)</b>	<b>(831)</b>	<b>(3.5%)</b>	<b>24,161</b>	<b>588</b>	<b>2.4%</b>

Notes:

(1) Co-location accommodation costs for SPSO, CYPCS, SHRC and SBC are accounted for through the SPSO's budget and annual accounts.



**Analysis of Officeholders 2026-27 budget bids**

	SPSO		SIC		CYPCS	
	Budget Allocation	Bid	Budget Allocation	Bid	Budget Allocation	Bid
	£'000	£'000	£'000	£'000	£'000	£'000
	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27
<b>Revenue</b>						
Staff Costs	6,437	6,770	2,125	2,298	1,407	1,469
Staff Related/General Costs	33	33	23	31	51	50
Property Costs (Note 1)	706	790	136	150	0	0
Professional Fees	332	334	61	65	47	47
Running Costs	448	506	199	203	253	274
Income	-80	0	0	0	0	0
<b>Capital</b>	17	17	20	3	5	6
<b>Total</b>	<b>7,893</b>	<b>8,450</b>	<b>2,564</b>	<b>2,750</b>	<b>1,763</b>	<b>1,846</b>

	SHRC		ESC		SC	
	Budget Allocation	Bid	Budget Allocation	Bid	Budget Allocation	Bid
	£'000	£'000	£'000	£'000	£'000	£'000
	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27
<b>Revenue</b>						
Staff Costs	1,249	1,373	1,479	1,538	326	367
Staff Related/General Costs	62	63	26	25	17	17
Property Costs	3	3	110	117	2	2
Professional Fees	43	43	215	168	10	7
Running Costs	200	213	77	104	18	15
Income	0	0	0	0	0	0
<b>Capital</b>	0	0	6	9	0	0
<b>Total</b>	<b>1,557</b>	<b>1,695</b>	<b>1,913</b>	<b>1,961</b>	<b>373</b>	<b>408</b>

	EC		SBC		PSCS	
	Budget Allocation	Bid	Budget Allocation	Bid	Budget Allocation	Bid
	£'000	£'000	£'000	£'000	£'000	£'000
	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27
<b>Revenue</b>						
Staff Costs	1,529	1,950	422	456	0	245
Staff Related/General Costs	86	66	15	15	0	15
Property Costs	134	104	0	0	0	0
Professional Fees	38	19	20	18	0	44
Running Costs	2369	3,642	72	73	0	32
Depreciation	150	183	0	0	0	0
<b>Capital</b>	0	0	0	0	0	0
<b>Total</b>	<b>4,306</b>	<b>5,964</b>	<b>529</b>	<b>562</b>	<b>0</b>	<b>336</b>

	EMB	
	Budget Allocation	Bid
	£'000	£'000
	2025-26	2026-27
<b>Revenue</b>		
Staff Costs	0	232
Staff Related/General Costs	0	8
Property Costs	0	4
Professional Fees	0	30
Running Costs	0	3
Depreciation	0	0
<b>Capital</b>	0	0
<b>Total</b>	<b>0</b>	<b>277</b>

**Notes:**

Note 1 - Co-location accommodation costs for SPSO, CYPCS, SHRC and SBC are accounted for through the SPSO's budget and annual accounts.

SPSO - Scottish Public Services Ombudsman

SIC - Scottish Information Commissioner

CYPCS - Commissioner for Children and Young People in Scotland

SHRC - Scottish Human Rights Commission

ESC - Commissioner for Ethical Standards in Public Life in Scotland

SC - Standards Commission for Scotland

EC - Electoral Commission

SBC - Biometrics Commissioner

PSCS - Patient Safety Commissioner for Scotland

EMB - Electoral Management Board

**SPCB Statement of Financial Position**

	<b>31 Mar 2025 Actual £'000</b>	<b>31 Mar 2026 Projected £'000</b>	<b>31 Mar 2027 Projected £'000</b>
<b>Non-current assets:</b>			
Holyrood land and buildings	398,500	409,658	421,128
Other fixed assets	3,552	3,262	4,012
<b>Total non-current assets</b>	<b>402,052</b>	<b>412,920</b>	<b>425,140</b>
<b>Current assets</b>			
Inventories	107	100	100
Trade and other receivables	2,434	2,200	2,200
Cash and cash equivalents	2,788	2,800	2,800
<b>Total current assets</b>	<b>5,329</b>	<b>5,100</b>	<b>5,100</b>
<b>Total assets</b>	<b>407,381</b>	<b>418,020</b>	<b>430,240</b>
<b>Liabilities</b>			
Current and non-current	(11,359)	(11,500)	(11,500)
Members pension surplus/(liability)	18,090	18,090	18,090
<b>Assets less liabilities</b>	<b>414,112</b>	<b>424,610</b>	<b>436,830</b>
Represented by:			
<b>Taxpayers' equity</b>			
General fund	178,878	178,218	178,968
Revaluation reserve	217,144	228,302	239,772
Pension reserve	18,090	18,090	18,090
<b>Total taxpayers' equity</b>	<b>414,112</b>	<b>424,610</b>	<b>436,830</b>

**Shop Trading Accounts**

	<b>Actual 2021-22 £'000</b>	<b>Actual 2022-23 £'000</b>	<b>Actual 2023-24 £'000</b>	<b>Actual 2024-25 £'000</b>	<b>Budget 2025-26 (4) £'000</b>	<b>Budget 2026-27 (4) £'000</b>
Sales	16	171	222	212	223	225
Cost of Sales (1)	13	82	127	119	102	105
<b>Net Contribution</b>	<b>3</b>	<b>88</b>	<b>95</b>	<b>93</b>	<b>121</b>	<b>120</b>
Direct Salaries (2)	97	107	111	118	126	130
Other Direct Costs (3)	1	3	4	1	1	1
<b>Total Direct Costs</b>	<b>98</b>	<b>110</b>	<b>115</b>	<b>119</b>	<b>127</b>	<b>131</b>
<b>Net Surplus/(Deficit) after direct costs</b>	<b>(94)</b>	<b>(22)</b>	<b>(20)</b>	<b>(26)</b>	<b>(6)</b>	<b>(11)</b>

**Notes**

(1) Cost of sales is the cost of items for sale in the shop less budgeted shop discount

(2) Direct Salaries have been updated to reflect retail function staffing (1 Manager, 1.33 G2 plus allowances and overtime)

(3) Other direct costs are expenditure incurred directly in the operation of the shop such as stationery and credit card and cash uplift charges

(4) Based on a normal trading year in line with previous pre-Covid budgets.

Actual trading in 2020-21 and 2021-22 was heavily impacted by Covid restrictions

This statement does not include general overhead costs, e.g. for a proportion of business rates, utility costs and other operational and support costs