

## Quarter 2 2021-22 Monthly Finance Report

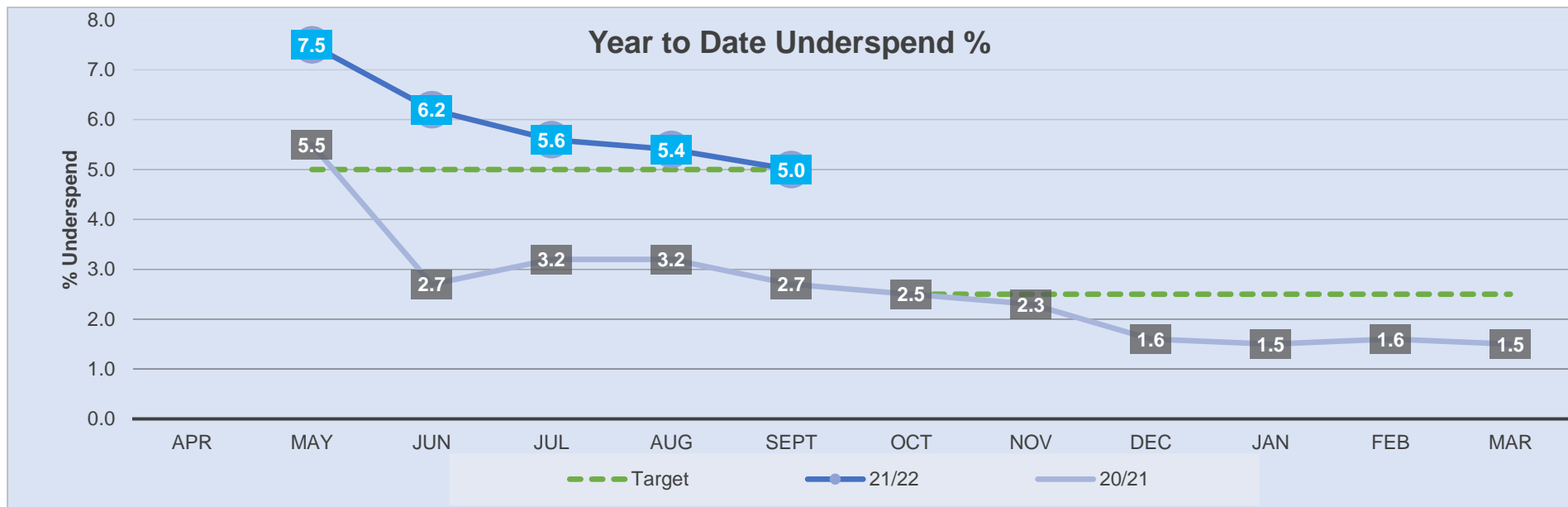
### Executive Summary:

- Quarter 2 outturn is £2,692k, 5% under the phased current annual budget. This is at the target underspend percentage for the first 6 months of the year of within 5% or less. SPS accounts for £1,420k where the main variances are £833k in Projects (FM and Digital), £231k in SPS Running Costs and £255k in SPS Staffing and £186k in Property Costs.
- Members costs account for £1,045k of the underspend against year to date budget, particularly in staffing, engagement and travel associated costs and £227k for Officeholders.
- SRB are considering potential further expenditure to support the Session 6 Strategic Plan and in connection with Members Security but plans are not yet fully developed, costed and forecast.
- Finance engaged with SPS Offices during Q2 to verify year to date underspends and forecasts and £493k of staff budget was recovered to reduce the vacancy gap. At the end of Q2, 83%, £693k, of the full year £797k vacancy gap target has been recovered, with 62% - £493k - recovered in Q2 alone.

### Summary position:

#### SPCB Expenditure Summary Outturn – Quarter 2:

	Year to Date				Full Year
	Actual	Budget	Variance	Variance	Current Annual Budget
	£'000	£'000	£'000	%	£'000
Parliamentary Service Costs	24,440	25,860	1,420	5.5	53,569
Members Costs	19,694	20,739	1,045	5.0	40,282
Commissioners & Ombudsman Costs	7,094	7,321	227	3.1	14,838
<b>Sub Total</b>	<b>51,228</b>	<b>53,920</b>	<b>2,692</b>	<b>5.0</b>	<b>108,688</b>
Reserves – SPCB contingency					1,895
<b>Total SPCB Expenditure</b>	<b>51,228</b>	<b>53,920</b>	<b>2,692</b>	<b>5.0</b>	<b>110,583</b>



#### SPS Expenditure Summary Outturn – Quarter 2:

	Year to Date				Full Year	
	Actual	Budget	Variance	Variance		Current Annual Budget
	£'000	£'000	£'000	%		£'000
Staff	15,081	15,335	255	1.7%	31,684	
Staff Related Costs	132	185	53	28.8%	538	
Property Costs	3,792	3,841	49	1.3%	7,907	
Running Costs	3,089	3,320	231	7.0%	7,003	
Projects	2,346	3,179	833	26.2%	6,437	
<b>SPS Expenditure</b>	<b>24,440</b>	<b>25,860</b>	<b>1,420</b>	<b>5.5</b>	<b>53,569</b>	

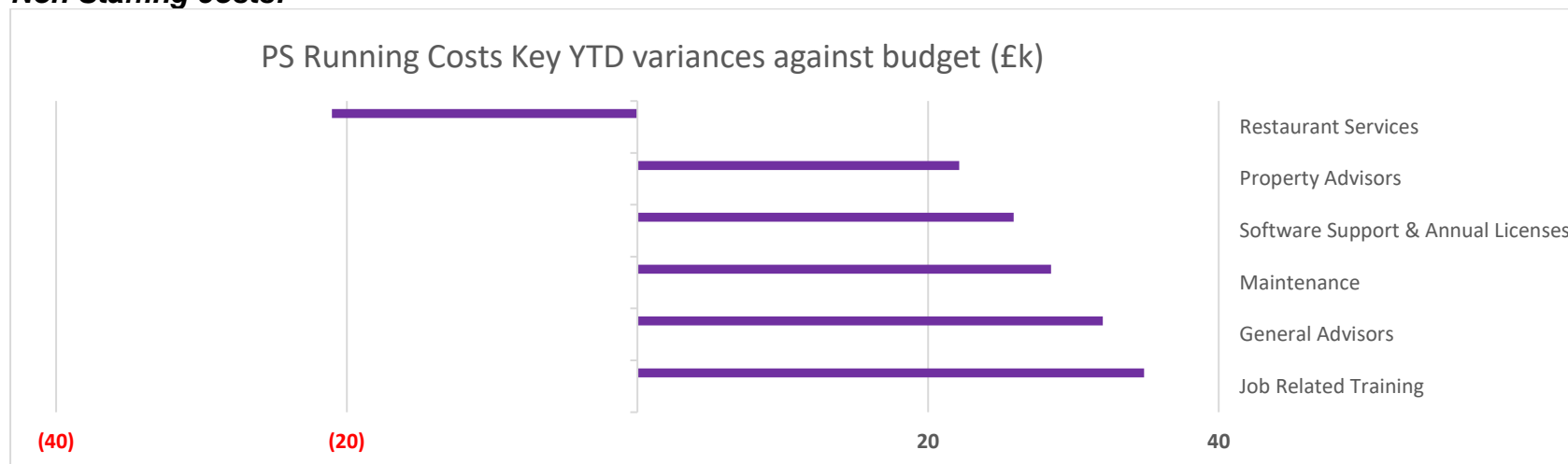
**Staff costs:**

Staff Full time equivalents:	Original Budget FTE	Current budget FTE	Actual FTE
Total	526.3	557.4	508.7

The additional 31.1 FTE are posts that have been agreed by SRB since the original budget submission. These have mainly arisen to support hybrid working or work related to Brexit. Actual FTE is lower than budgeted FTE due to vacancies. This is reflected in the budget value surrendered to the vacancy gap to date (£693k) plus the YTD staff underspend of £255k

Following pay negotiations an offer has been made which we expect the unions to ballot members on.

**Non Staffing costs:**



**Commentary on variances against year to date budget:**

Restaurant Services budget was re-phased evenly across the year, and the overspend to date reflects the shortfall in sales in Q1 and Q2 related to COVID restrictions on building use. The deficit was expected to be far higher and forecast sales for the year are better than expected. The annual budget was increased by £325k to reflect the effect of COVID, and we currently anticipate a year end underspend of £25k

Property Advisor costs are being absorbed by FM projects and this budget is forecast to be underspent. General Advisors is underspent due to planned expenditure on Scope 3 Carbon Emissions report being delayed for procurement reasons.

The underspend on Software Support and Annual Licenses of £26k is a timing issue which will be resolved in October.

Job related training is underspent by £35k to date across all PS Offices. Plans for spend are being pushed back to later in the year but are also unclear.

Underspend on Maintenance of £28k reflects restrictions on use of the building and prioritising MSP office partition project work after the election. The budgets are on track to be fully spent in year.

**Projects:**

Portfolio	Year to Date				Full Year
	Actual	Budget	Variance	Variance	Current Annual Budget
	£'000	£'000	£'000	%	£'000
BIT and Digital	495	995	501	50.3	2,782
FM Building & Equipment	478	842	364	43.2	1,635
Security Maturity Programme	1,207	1,181	(26)	(2.2)	1,241
Sound & Voting/Broadcasting	(3)	0	3	0.0	400
Other	169	160	(8)	-5.1%	232
Unallocated budget					147
<b>Total projects</b>	<b>2,346</b>	<b>3,179</b>	<b>833</b>	<b>26.2</b>	<b>6,437</b>
Categories:					
Capital projects	1,029	945	(85)	40.0	1,877
Revenue projects	1,317	2,234	918	40.0	4,133
Unallocated budget					147
<b>Total projects</b>	<b>2,346</b>	<b>3,179</b>	<b>833</b>	<b>26.2</b>	<b>6,437</b>

To the end of quarter 2, 36% of the full year project budget has been spent. A business case is prepared for the Sound and Voting project to consider options for a Video and Audio-Conferencing solution to work with digital voting which meets the needs of hybrid business in a changing work environment.

In light of year to date spend, SRB agreed at its meeting in September 2021 to allocate £438k of funding to DSB for capital server and network refresh expenditure planned in 22-23 to relieve potential project funding pressures next year. £130k was returned by the FM Election project and £28k by the Strategic Resource Review project.

The YTD underspend on Digital Projects of £501k is due to:

- Digital Work Place Programme (£105k) supplier issue delaying the data migration pilot
- BIT Election projects (£198k) delays to sourcing laptops and peripherals
- Network Refresh (£59k) and Wireless Controller refresh (£50k) – issues with the quality of proposals and robustness of costs from the technical partner. This is being addressed and work will complete in the year.

The YTD underspend on FM projects of £364k is due to underspends in Fabric – 25-year plan (£73k) and M&E – 25-year plan (£250k). These are timing delays due to restrictions on building access, some planned work reliant on power shutdowns being deferred and other work taking priority over summer recess. Fabric work has been delayed due to temporary contractor issues. There are no concerns about project work being completed by March and the budget being fully utilised.

There was a delay in work commencing on site with the Service Yard project. Construction completed over summer 2021 and negotiations are close to conclusion on additional contractor costs for the delay and extra work.

### **Members:**

Members are showing an overall underspend of £1,045k (5%) of year to date budget. Members Expenses is the driver of the year to date underspending variance at £1,179k and Short monies underspending by £25k with these, offset by Members Pay, including officeholder severance costs, overspending against year to date budget by £159k.

The main categories of underspend in Members expenses are staff costs where it is taking time to recruit staff, travel associated costs where members and their staff are still travelling less than pre-pandemic and engagement where again, post-election, Members are slower to commence engagement activities. For the first 6 months of the year Members have spent 43% of their full year expenses budget. This expenditure includes £2,354k of staff winding up and £88k of other winding up costs to date and most of the election related expenditure is reflected in the year to date position. Monthly expenditure trends will be kept under review.

### **Officeholders:**

Year to date expenditure of £7,094k is £227k below budget for officeholders with most of this accounted for by a £239k variance in the SPSO. They have confirmed that this is a timing issue and are expecting to spend their full budget this financial year.

The SPCB has already approved in principle funding of £481k against the Officeholders contingency fund of £400k for 2021-22. The additional £81k has been noted as a potential call on the SPCB contingency. Contingency funding will not be released until later in the financial year once the requirement for these funds has been demonstrated. All Officeholders have confirmed that they forecast to spend all their budget. These forecasts will continue to be reviewed for the impact on contingency and outturn position.