

**Chief Executive's Report to the SPCB
March 2019**

Introduction

This report looks at recent activities across the organisation and includes the SPCB financial report for Period 11 of the 2018-19 financial year.

Items worth highlighting include:

- The legislation team has continuing to develop and deliver training on the legislation process for external interest groups
- A significant legislative workload for the Parliament in the period between Easter recess and summer recess
- The significant impact on parliamentary business with committees continuing to consider subordinate legislation stemming from the EU (Withdrawal) Act 2018

If you have any comments or questions on any aspect of this report, I would be happy to discuss them with you.

Paul Grice

Clerk/Chief Executive

OVERVIEW OF PARLIAMENTARY ACTIVITIES

Parliamentary business

Standards, Procedures and Public Appointments (SPPA) Committee

The Standards, Procedures and Public Appointments Committee is continuing its consideration of any changes required to implement the recommendations of the report of the Joint Working Group on Sexual Harassment.

Legislation Team

The legislation team has continued to develop and deliver training on the legislation process for external interest groups. This has focussed on helping those who engage with Members on amending stages to understand the process as fully as possible. This is part of a package of initiatives the team has been taking this session to improve understanding of and engagement and participation in the legislation process. So far three sessions have been delivered, reaching about 50 parliamentary and policy staff from third sector organisations who regularly engage with Members on legislation. Plans are currently being developed in conjunction with Committee Office colleagues for a further series of events.

The need for the Scottish Government's legal resources to be focussed on legislation relating to the UK leaving the EU appears to have had a significant effect on capacity to progress other elements of the legislation programme. As a result, there is expected to be a significant legislative workload for the Parliament in the period between Easter recess and summer recess, with a significant number of Stage 2 and Stage 3 processes and new Bills being introduced.

Non Government Bills Unit

Two NGBU-drafted Members' Bills (on physical punishment of children, and 20 mph speed limits) are under scrutiny at Stage 1. Four other MSPs have completed the proposal process – and (as of 28 February), drafting was under way for two, with instructions being developed for the other two. Two other MSPs lodged final proposals during February.

Six further draft proposals have been lodged, of which all but one is NGBU-supported. NGBU is working with a significant number of other MSPs on prospective proposals; all have been alerted to the timescale constraints they now face (in view of the June 2020 cut-off for introducing Members' Bills this session)

The complex Pow of Inchaffray Private Bill has now received Royal Assent, and the only Private Bill currently in progress is the uncontroversial Hutchesons' Hospital Transfer and Dissolution Bill.

Committees

Brexit continues to have a significant impact on parliamentary business with committees continuing to consider subordinate legislation stemming from the EU (Withdrawal) Act 2018. 82 'SI notifications' have been sent to the Parliament covering 125 UK statutory instruments laid under the under the 2018 Act. We anticipate 2 further SI notifications to cover 2 UK SIs prior to 29 March. 28 SSIs under the 2018 Act have also been considered.

As both the UK and Scottish Governments have been operating a risk-based approach to decisions about what legislative deficiencies had to be addressed ahead of the proposed exit date, further SI notifications and SSIs stemming from the 2018 Act are likely to be sent/laid post 29 March.

Officials in committee and chamber office have been working closely with colleagues from legal and with SPICe to support this scrutiny. Officials are also working on issues which will need to be considered in the medium and longer term such as how the Parliament scrutinises legislation in devolved areas which previously would have been in the competence of the EU; common frameworks and international treaties

Parliamentary Engagement

International Relations Office

- Jamie Greene MSP participated in a Commonwealth Parliamentary Association Election Observing Mission to the British Virgin Islands
- The International Relation Office supported the following inward visits:
 - Chinese Consul General in Edinburgh: Meeting with the Presiding Officer
 - Norwegian and Romanian Ambassadors: Meetings with the Presiding Officer
 - Parliamentarians from Kazakhstan and Lebanon (under the auspices of the Westminster Foundation for Democracy)
 - Speaker led delegation of parliamentarians from the Isle of Man: Meetings with the Presiding Officer, MSPs and officials

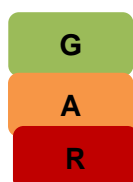
SPCB FINANCE REPORT Period 11 – February 2019

1. This report is to inform SPCB of general financial activity and expenditure trends in 2018-19.

Executive Summary

Performance against Budget (year to date variance)		
a) Total SPCB revenue and capital expenditure	2.0%	Para 2 & 5
b) Total SPS expenditure	1.5%	Para 6
c) Total project expenditure	0.4%	Para 7
Operation of Financial Controls		
d) Key reconciliations up to date	100%	Para 4
Other Key Indicators		
e) Payment performance	99.2%	Para 4

Key: RAG Status



Performance within target range

Performance outwith target range but acceptable

Performance outwith target range not acceptable

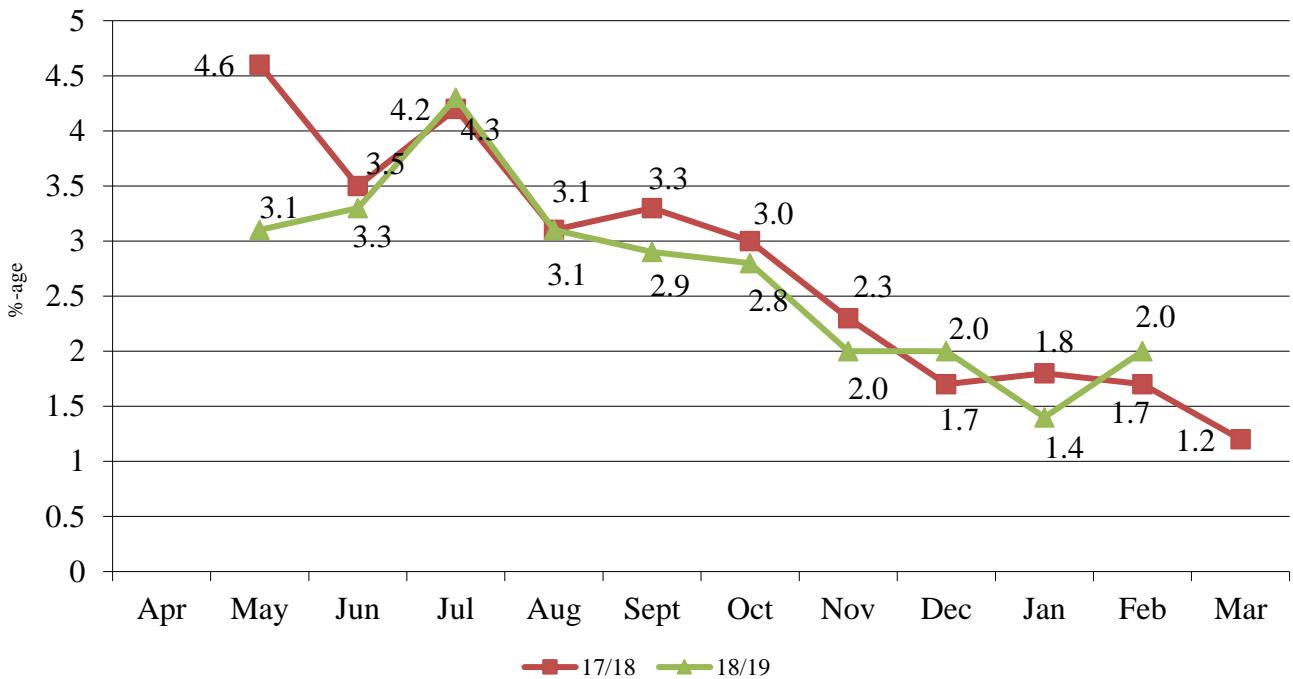
Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure for the first eleven months of 2018-19 of £78.3m represents an underspend against budget of £1.6m (2.0%) which is within the SPCB's target range of 0% to 2.5% (as shown in green in the Executive Summary chart). The comparable 2017-18 position was expenditure of £74.7m which represented an underspend against budget of £1.3m (1.7%).
3. There was a net decrease of £57k in the SPCB's central contingency from £107k to £50k in February and this is reflected in the period 11 figures.
4. All key reconciliations are up to date. Payment performance within contract terms for the year to date meets the 99% target. The equivalent figure for payment within 10 days is 97.8% for the year to date.

Financial Results

5. The SPCB's total revenue and capital expenditure per Schedule 1 for February 2019 is £78.3m, which is £1.6m (2.0%) under the approved year to date budget of £79.3m.

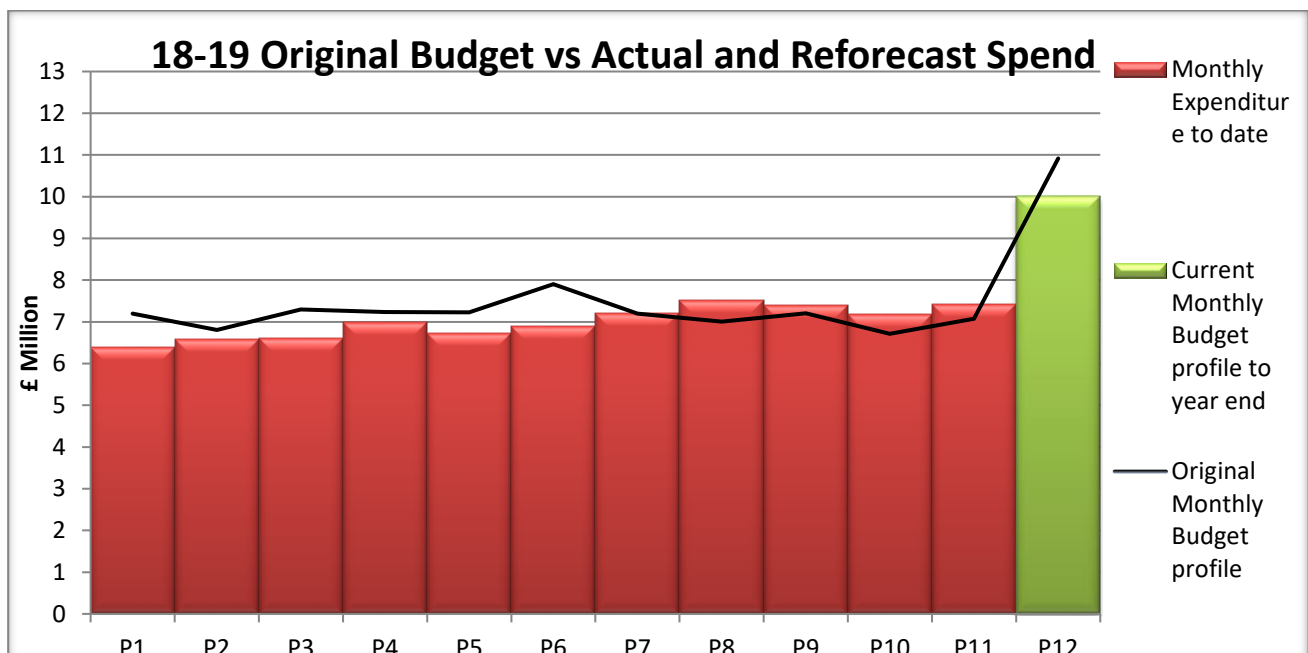
Trend of Total Monthly Underspend



6. The table below shows actual monthly expenditure (red) up to the end of February and the current reforecast monthly expenditure (green) for the remaining month of the year. The original monthly budget profile is shown by the black line.

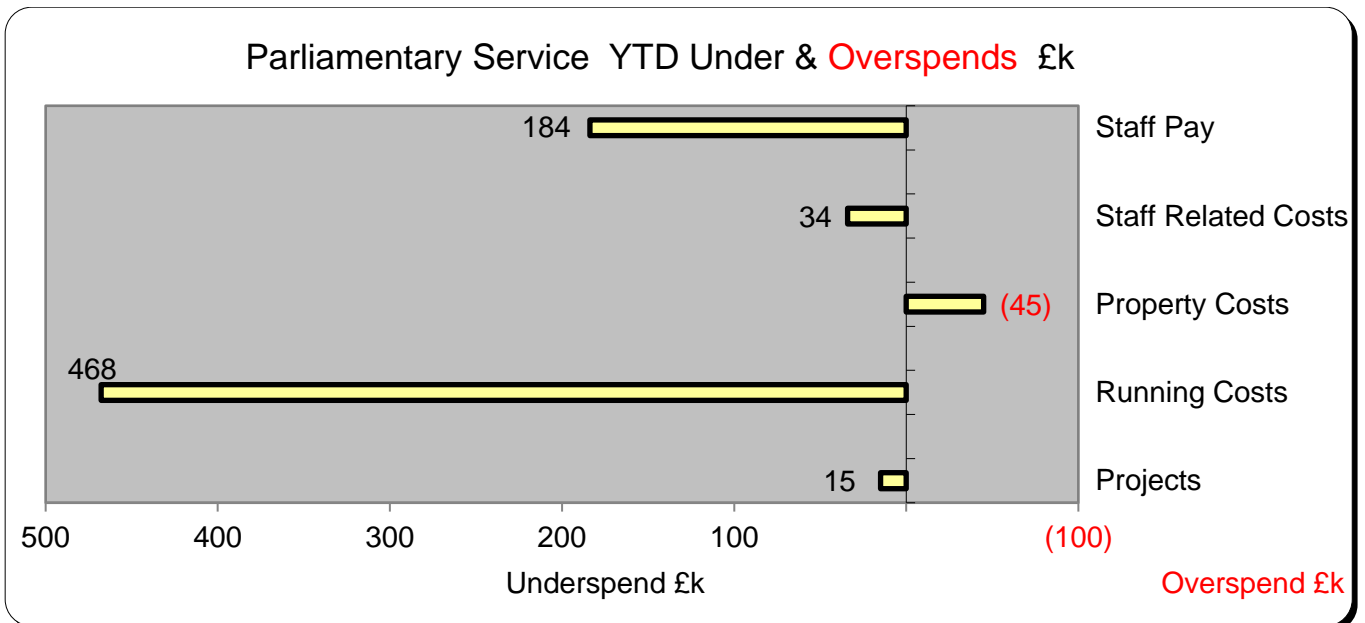
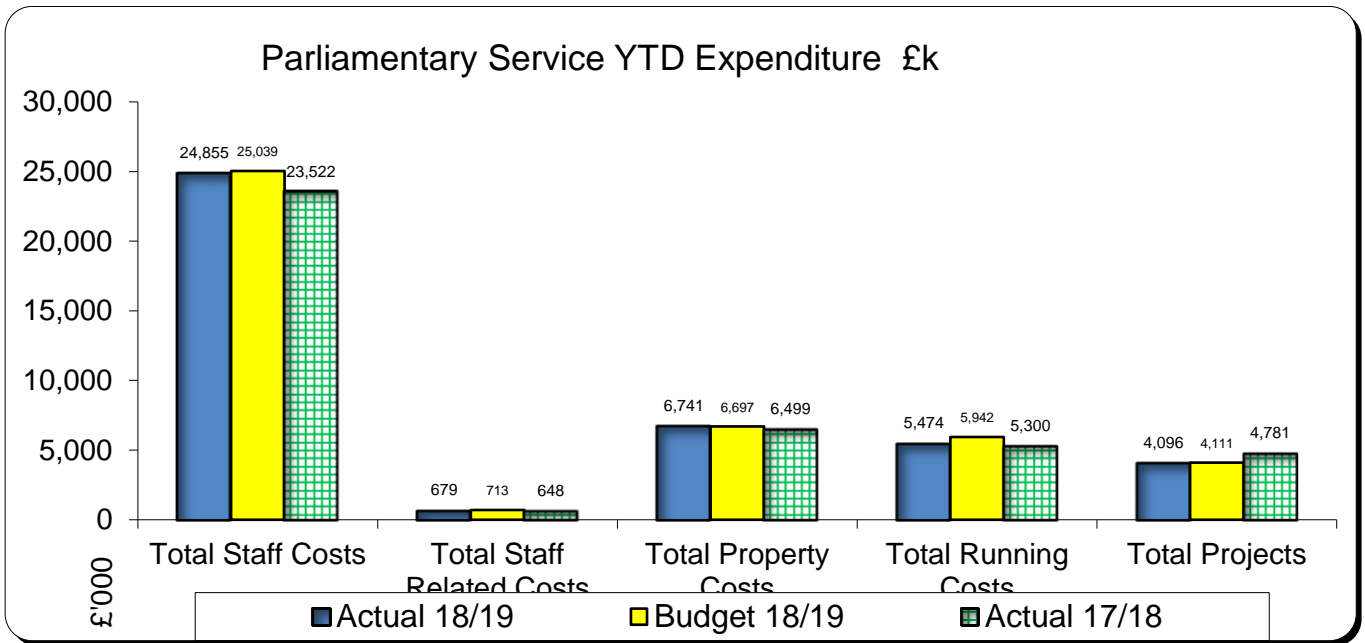
There are some higher expenditure items scheduled to occur in the final month of the financial year:

- Security, FM and Broadcasting projects.
- Members' expenses are phased to reflect previous years' experience of higher monthly expenditure in the later part of the year.



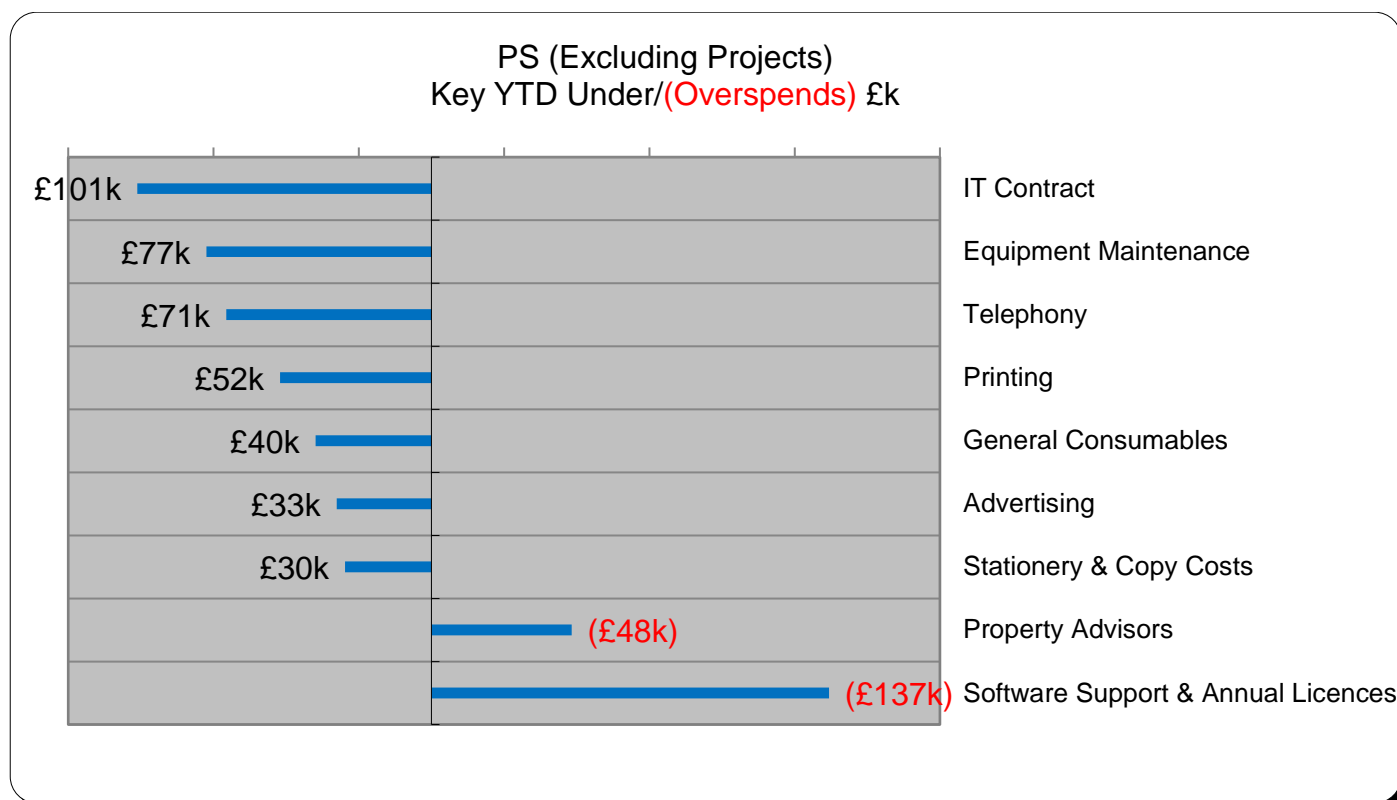
Parliamentary Service Costs (Schedule 2)

7. The year to date expenditure for the Parliamentary Service (SPS) of £41.8m is currently £656k (1.5%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £40.8m at period 11 was £0.4m (1.0%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.



- Staff Pay is reported as £184k (0.7%) under budget including Agency staff and contractors. Staff turnover and the associated vacancies have exceeded the budgeted vacancy assumption in the first eleven months of the year.

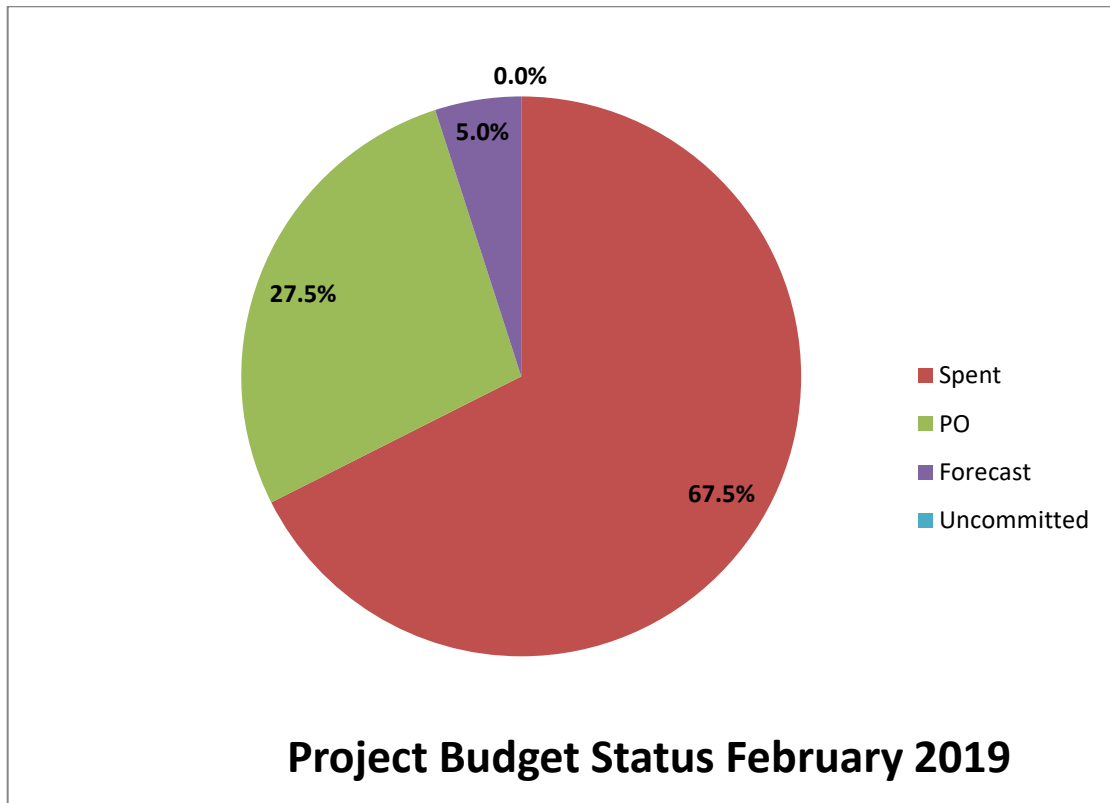
- The expenditure on staff pay to date of £24.9m is £1.3m (5.7%) higher than the equivalent 17-18 costs.
- Expenditure on Staff Related Costs is £679k. This is £34k (4.8%) below the budget to date of £713k. Actual spend on staff related costs is £31k (4.8%) more than for the equivalent period in 2017-18. Childcare Vouchers (£22k) and Travel and Expenses (£24k) make up the biggest elements of the underspend. This is slightly offset by higher expenditure on Training (£17k).
- Property Costs of £6.7m are £45k (0.7%) higher than the Year to Date budget, principally accounted for by Property Advisors (£48k).
- Running Costs of £5.5m are £468k (7.9%) under budget. Main running cost underspends are in IT Contract (£101k), Telephony (£71k), Equipment Maintenance (£77k), Printing (£52k), Stationery (£30k), General Consumables (£40k), and Advertising (£33k). These are partly offset by higher expenditure on Software Support and Annual Licences (£137k).



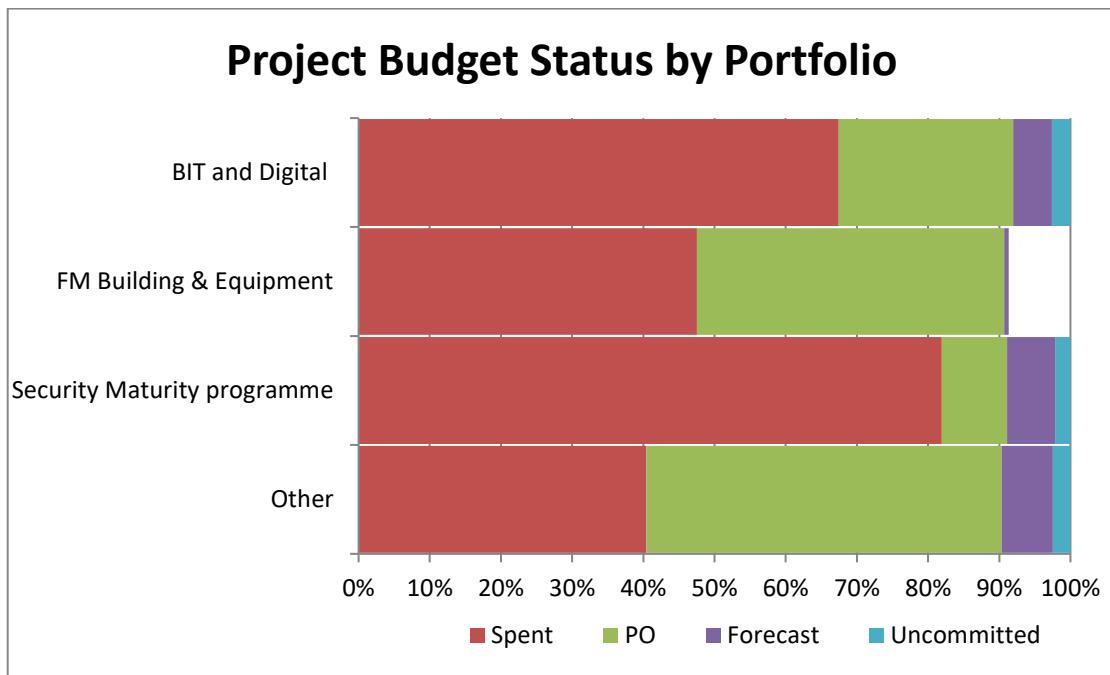
Project Reporting (Schedule 3):

- Schedule 3 shows project spend by category of project.
 - Total project expenditure to February 2019 is £4.1m, £13k (0.4%) under the year to date budget.
 - Revenue Projects show a total spend of £2.6m, an underspend of £71k (2.6%) against the phased budget of £2.7m.

- Capital Projects have spent £1.5m for the year to date, £56k (3.9%) higher than the phased budget of £1.4m. The expenditure is mainly in respect of the Security Systems Replacement project.



This compares with 81.4% spent, 7.8% on purchase orders, 9.5% forecast and 1.3% uncommitted at the same period in 2017-18.



Members' Costs (Schedule 2)

9. Members' costs are analysed in Schedule 2, which shows £26.2m reported cost to February 2019, £566k (2.1%) lower than the phased year to date budget. (The corresponding figures for 2017-18 at period 11 were expenditure of £25.5m with an underspend of £842k, (3.2%)).

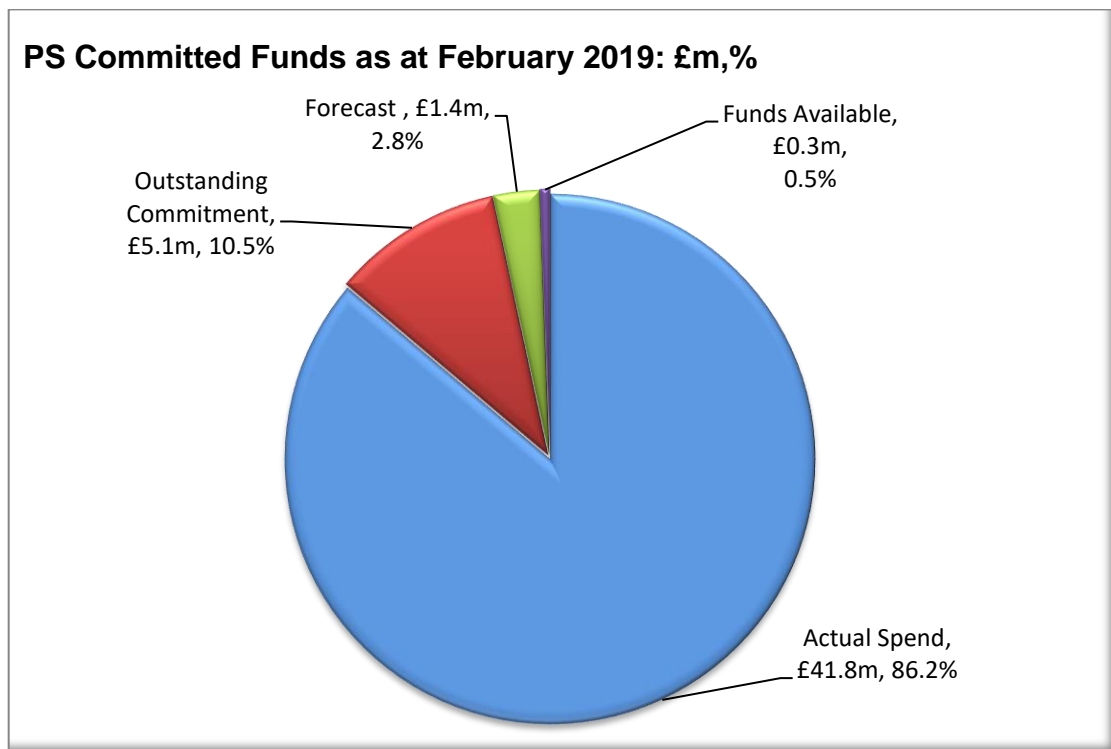
Commissioners & Ombudsman Costs (Schedule 2)

10. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the 11 months of 2018-19 amounts to £10.2m, which is £350k (3.3%) under the year to date budget. Additional funding of £103k transferred from the Scottish Government as part of the Spring Budget Revision is now reflected in Commissioner and Ombudsman budgets in period 11. This is in respect of new functions added to the remits of the SPSO (Whistleblowing) and the SIC (Registered Social Landlords).

Central Contingency

11. The central contingency has decreased by £57k in period 11 from £107k to £50k, principally due to transfer of contingency to officeholders (£32k) and transfer of budget to the Committee Engagement Unit (£25k).

12. Commitment



This compares with 88.5% spend, outstanding commitment 9.1%, forecast 2.1% and funds available of 0.3% as at February 2017-18.