

**Chief Executive's Report to the SPCB
January 2016**

Introduction

This report covers activity in December, and includes the SPCB financial report for Period 8.

Some of the items to note include:

- Following notification of Richard Baker's resignation, arrangements were put in place to welcome Lesley Brennan as the new Labour MSP.
- Preparations for the election in May are well underway, led by the Election Planning Programme Board. I will be issuing regular newsletters to Members, the first one later this month, until dissolution.
- A number of bills are currently being considered at Stages 2 and 3 with a view to them completing their parliamentary passage by dissolution. The Lobbying Bill will complete Stage 2 during early February.
- The Justice Committee continues to take evidence on the interception of communications by Police Scotland.
- The Public Audit Committee Report on the failings at Coatbridge College was published on 13 January.
- On Monday 7 December, the Parliament once again successfully hosted the Scottish Public Service Awards. We were delighted that one of our entries, the Apprenticeship and Women in Leadership programmes won the Employee Development and Skills Award category.
- Parliament Day Dunfermline took place from 5 to 7 December.
- The Presiding Officer's annual Carol Service took place on 16 December and was attended by MSPs, building users and the local Holyrood Community.
- On 19 January the Presiding Officer will open the John Bellany and the Scottish Women's Hospitals exhibition. The exhibition will feature 18 works by John Bellany, on loan from the Bellany family.
- On 20 January the Presiding Officer will host the annual Consular Corps Burns Supper. The event will be attended by MSPs and members of the Consular Corps from all across Scotland.
- The Parliament's environmental management system was successfully audited and re-certified to ISO 14001 at the end of December. We have also become a Zero Waste Scotland Resource Efficiency Ambassador due to our work with suppliers to become more sustainable.

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

P E GRICE

Clerk/Chief Executive

SECTION 1 – OVERVIEW OF PARLIAMENTARY ACTIVITIES

New Member of the Scottish Parliament

Following notification of Richard Baker's resignation, arrangements were put in place to welcome Lesley Brennan as the new Labour MSP. We are grateful to Lesley (and Labour's Business Manager) for agreeing to help us use this opportunity to test our proposed induction arrangements for new Members following the election in May.

Election Planning

The Election Planning Programme Board met on 13 January. The following was discussed:

- **Internal Audit Recommendations**

The Internal Auditor suggested a number of issues relating to the Reimbursement of Members' Expenses which new Members could be reminded of as part of their orientation, for example: the benefits of seeking competitive quotes for essential office expenditure such as utilities and telecoms, and the completeness of evidence for the full costs to which a Member is contributing a share.

Similarly, there are a number of issues relating to Local Office visits (which were recommended by the McIntosh Report) which the Board was asked to consider incorporating into the orientation programme, for example: ensuring value for money when identifying local offices; seeking competitive quotes for professional fees when obtaining advice for local offices; and emphasising the availability of centrally provided office equipment.

- **Registration and Orientation of Members**

The Programme Manager continues to refine plans for the registration and the support of both newly elected and re-elected Members. The Board, and the SPCB, will continue to receive regular updates on this work.

- **Letters Issued by the Clerk/Chief Executive on 6 May**

The Board considered the content of the suite of letters that will be produced for issuing to Members and former Members on 6 May.

The Clerk Chief Executive will issue regular newsletters to Members until dissolution. These will include reminders of tasks to be completed and the relevant deadlines. The first newsletter will issue before the end of January and will ask Members to supply their contact details for dissolution and the election.

Chamber and Reporting

Official Report

The Official Report Editor's Pick blog, which includes highlights from recently published reports and can be accessed by this link: <https://orhighlights.wordpress.com/>, was viewed 3,600 during 2015. The Editor's Christmas Quiz was viewed 171 times. Launched a little over a year ago, the blog will now be reviewed in light of experience to inform future strategy.

Chamber Office

A number of bills are currently being considered at Stages 2 and 3 with a view to them completing their parliamentary passage by dissolution. In addition, the Cabinet Secretary announced during his Budget Statement that he plans to introduce a new bill to make changes to the Land and Buildings Transactions Tax.

A high volume of subordinate legislation is expected to be laid in January and February to be scrutinised ahead of the end of session.

Committees and Outreach

Committee Office

Education and Culture

Stage 2 of the Education Bill has now been completed over 3 days including one meeting held in Dunfermline. The Committee has reported at Stage 1 on the Higher Education Governance Bill seeking further information about intent and purpose.

The Committee's budget response looked at spending of around £6billion. The majority of the report was the product of a year-long look at local authority education spending. It also pulls together questions from the Committee's consideration of the 5 biggest spending public bodies (Creative Scotland, Education Scotland, Scottish Funding Council, SQA and SDS). This is the first time that their outcomes and added value have been reviewed in this way.

Equal Opportunities

The Committee held a well-subscribed debate on its report into Age and Social Isolation on 6 January. The Convener's and other Members' speeches received coverage in the media.

Justice

The Committee is taking evidence on the interception of communications by Police Scotland.

The Committee took evidence on 15 December from DCC Richardson of Police Scotland, the Scottish Police Authority and the Cabinet Secretary. It took evidence from ACC Nicolson of Police Scotland on 12 January. This was not the Committee's first choice of witness, it wished to hear from four members of Police Scotland's Counter Corruption Unit but agreed to hear from ACC Nicolson following an exchange of correspondence with Police Scotland. The Committee has reserved its position on whether it may invite further witnesses from Police Scotland, or any other organisation.

Following the 15 December evidence session, the Committee requested various items of information from Police Scotland and again some of this is being withheld because Police Scotland considers that the Committee has no power to request it. The Committee is considering its position on this issue.

Local Government and Regeneration

The Committee completed its inquiry into Fixed Odds Betting Machines in relation to Scotland Act provisions. It reported on 21 December suggesting that the powers are not sufficient and more needs to be done.

Reports are due in January on the Burial and Cremation (Scotland) Bill, Arm's Length External Organisations (ALEO) governance issues, and the Footway Parking and Double Parking (Scotland) Bill.

Public Audit

The Public Audit Committee has been continuing its work on the governance failings around severance payments at Coatbridge College. The Committee's work has attracted a lot of interest and has been particularly complex. The Committee report was published on 13 January and received considerable media attention. The Committee has bid for debate time in the Chamber to debate its reports on Coatbridge College and North Glasgow College, and its report on the overview of Scottish colleges.

The Committee will also continue to consider further Auditor General for Scotland (AGS) reports and hold evidence session on AGS reports on the failed NHS 24 IT system and the readiness for the collection of Scottish income tax.

Rural Affairs, Climate Change and Environment Committee

The Committee published its Stage 1 report on the Land Reform (Scotland) Bill. After months of scrutiny, including 3 external meetings, 2 public meetings and several fact-finding visits around the country, the Committee's report featured photographs and a very well received infographic which showed the extent of the Committee's public engagement.

The Committee also agreed an innovative legacy process in 2016, rather than just a legacy report. This will see the Committee engaging with stakeholders to look back on its experiences of the session and examine successes and

future challenges. Again, the Committee hopes to employ many innovative methods in its report, such as the use of word clouds and other infographics.

Standards, Procedures and Public Appointments

The SPPA Committee's report on committee effectiveness will be published in week beginning 18 January.

The Lobbying Bill will complete Stage 2 during early February.

Welfare Reform

The Welfare Reform Committee published its report 'The Future Delivery of Social Security in Scotland' on 14 December. The report was positively received by Scottish Government.

Outreach Services

Parliament Day Dunfermline, which was run over three days, was successfully delivered despite the bridge closure 24 hours before event commenced. The event included:

- Saturday - *Your Scottish Parliament* conference – to provide information and experience in engaging to local community groups and activists. Attendance of more than 110 people on a blustery Saturday in the run up to Christmas was significant. Feedback was positive on learning and the opportunity to engage.
- Sunday - Civic Reception hosted by the Presiding Officer. More than 120 people attended, the guests at the event were very enthusiastic.
- Monday – The Presiding Officer's programme of visits was positively received and covered by local media. The Education and Culture Committee meeting was attended by more than 100 local school pupils who contributed to the 250 ideas on attainment that were fed into the Committee.

Events and Exhibitions

On Wednesday 2 December Deputy Presiding Officer John Scott MSP co-hosted the Money Advice Scotland reception with the Minister for Business, Energy and Tourism Fergus Ewing MSP. The event was attended by Members, representatives from the banking industry, debt charities and local councils.

On Monday 7 December the Presiding Officer and the Cabinet Secretary for Fair Work, Skills and Training co-hosted the Holyrood Magazine Scottish Public Service Awards. The Awards offer the opportunity to celebrate outstanding achievements within Scotland's civic landscape and give welcome recognition to the work that goes on - sometimes very much behind the scenes and often in difficult circumstances - to support the governance of Scotland.

On Tuesday 8 December the Presiding Officer accompanied by Rabbi Ruben, Scotland's most senior Rabbi, lit the first candle on the Chanukiah (or Menorah) – gifted to Scottish Parliament in 2014 by members of the Jewish community in Scotland – to mark the beginning of Hanukkah.

On Wednesday 9 December Deputy Presiding Officer John Scott MSP and the Cabinet Secretary for Culture, Europe and External Affairs co-hosted the Performing Rights Society for Music Creators event. The purpose of this event was to give Scottish music creators and publishers the opportunity to meet with Members and other key stakeholders, to explain how they work and the reality of running a business in a constantly evolving digital music industry.

The annual Carol Service took place on Wednesday 16 December. The event was well attended by MSPs, building users and the local Holyrood community. Music was provided by Royal Mile Primary School, Newtongrange Silver Band, Edinburgh Signing Choir and CoroEdina. During the reception which followed guests were entertained by Castle Chorus.

On January 13 Deputy Presiding Officer Elaine Smith MSP co-hosted the annual VisitScotland reception with the Minister for Business, Energy and Tourism. The reception provides an important opportunity to showcase the success of the tourism industry in Scotland.

Forward Look

On Tuesday 19 January the John Bellany and the Scottish Women's Hospitals exhibition will be opened by the Presiding Officer. The exhibition in the Main Hall features 18 works by Scottish artist John Bellany on loan from the Bellany family. Also included are archive material and objects relating to the Scottish Women's Hospitals which are on loan from the Imperial War Museum, Glasgow City Council Archives and private collections. The exhibition is supported by an events and education programme and will be open to the public from Wednesday 20 January to Saturday 16 April 2016.

On Wednesday 20 January the Presiding Officer will host the annual Consular Corps' Burns Supper. The event will be attended by MSPs and members of the Consular Corps from across Scotland. Guests will be piped in by Stuart McMillan MSP. The Selkirk Grace will be given by Miguel Delgado, Consul General of Spain and Dean of the Edinburgh and Leith Consular Corps. Young Burnsian Nathan King will perform the address to the Haggis and entertainment will be provided by a group from the Master's Degree Course in Songwriting and Performance at the University of the West of Scotland.

UK and International Relations Office (UKIRO)

UKIRO facilitated visits, sponsored by the WFD, of delegations from the Parliament of Punjab, Sindh and Tunisia. The focus of the Punjab and Sindh visit was the devolution of power, legislative competency and the resolution of conflicts (in respect of devolved powers). The focus for the Tunisian visit was public audit oversight.

The Minister President of the Government of Flanders, Mr Geert Bourgeois, visited the Parliament on 15 December 2015 where he paid a courtesy call on the Presiding Officer and the First Minister.

The newly appointed Ambassador of the Kingdom of the Netherlands, Mr Simon Smits visited the Parliament on 15 December 2015 where he paid a courtesy call on the Presiding Officer and briefed her on the Netherlands' priorities for the forthcoming Dutch Presidency of the Council of the EU (which began on 1 January 2016 and will run for 6 months). The Ambassador also met with the Convener of the European and External Relations Committee to discuss these priorities and his forthcoming appearance before the committee.

The Speaker of the Pakistani Provincial Assembly of Khyber Pakhtunkwa, Mr Asad Qaiser MPA, and the Chief Minister of the Provincial Government of Khyber Pakhtunkwa, Mr Pervaiz Khattak, will take part in a study visit to the Scottish Parliament on 21 January. As part of this visit, they will meet with the Presiding Officer and members of the CPA Scotland Branch Executive Committee.

Communications and Research Information Management

SPICe

Following the publication of the draft budget on 16 December, there has been a suite of research products to support Members' scrutiny of the Budget and wider public information and engagement:

- A budget briefing and associated infographics.
- The detailed level 4 figures, having negotiated early provision from the government.
- Updated interactive budget tools for the 2016-17 budget.
- A short animated film, explaining the Barnett Formula to the public. This film collaboration between SPICe, Public Information and Web & Social Media teams represents a further demonstration of how the focus of the Public Engagement Strategy now places greater emphasis on supporting parliamentary business. This 'beginner's guide' has already become the Parliament's most successful Facebook video to date, with a reach of 70,000 people and 15,000 views as of 7 January. The film can be found at the following link:
<http://www.scottish.parliament.uk/parliamentarybusiness/17534.aspx>.

Facilities Management

Environmental Management

The Parliament's environmental management system was successfully audited and re-certified to ISO 14001 at the end of December demonstrating our robust processes and systems in managing our environmental impacts. We have also become a Zero Waste Scotland Resource Efficiency Ambassador due to our work with suppliers to become more sustainable. The

Annual Environment Report for 2014-15 will be published shortly and contains details of the Parliament's contributions towards reducing carbon emissions.

Scottish Public Service Awards

On Monday 7 December, the Parliament once again successfully hosted the Scottish Public Service Awards. The awards aim to recognise the rich diversity of public life in Scotland, and this year the number of entries was around 170 from a range of public sector bodies across the country.






We were delighted that one of our entries, the Apprenticeship and Women in Leadership programmes won the Employee Development and Skills Award category. The Parliament was also shortlisted for its work on the BSL Bill, the Interactive Budget Tool developed by SPICe and the Media Village.




The competition this year was especially strong which makes these achievements all the more remarkable. They are excellent examples of the high quality work that goes on here in the Parliament.

SECTION 2 - SPCB FINANCE REPORT
Period 8 – November 2015

1. This report is to inform SPCB of general financial activity and expenditure trends in 2015-16.

Executive Summary

Performance against Budget (year to date variance)		
a) Total SPCB revenue and capital expenditure		Para 2 & 6
b) Total SPS expenditure		Para 7
c) Total project expenditure		Para 8
Operation of Financial Controls		
d) Key reconciliations up to date		Para 4
Other Key Indicators		
e) Payment performance		Para 5

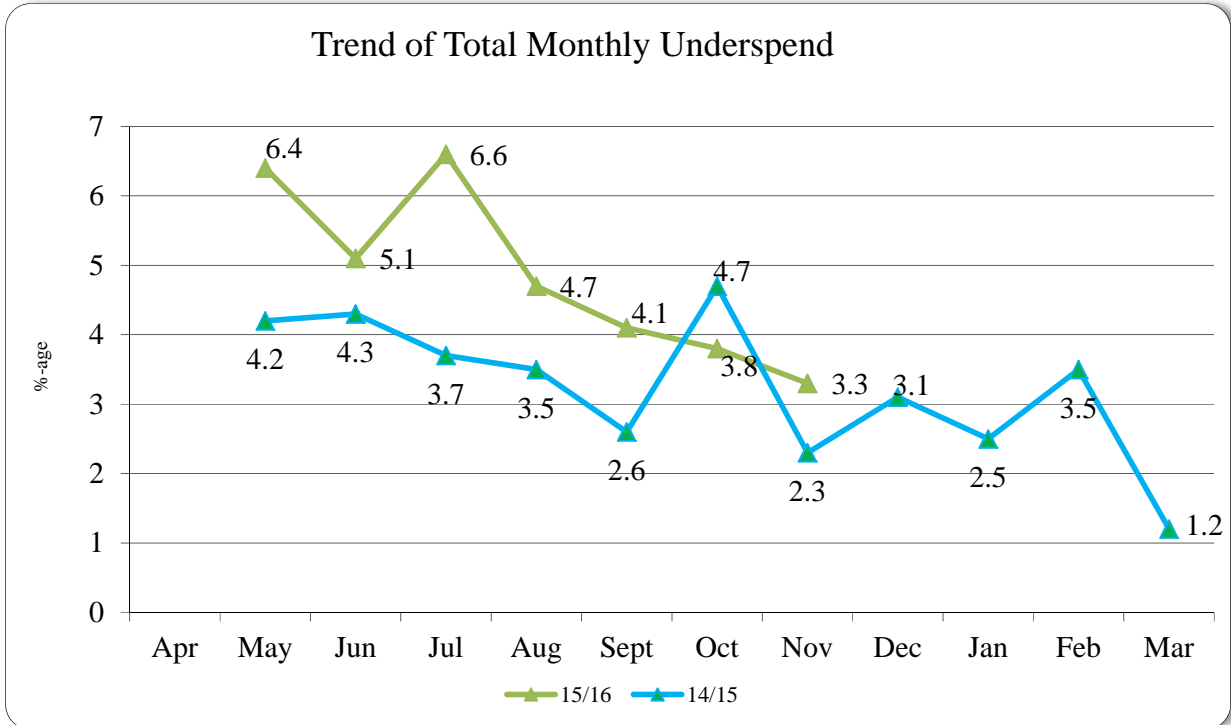
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Financial Commentary

2. The Scottish Parliament's total revenue and capital expenditure to the end of November 2015 is £48.0m, an under spend against budget of £1.6m (3.3%). This is out with the SPCB's target range of 0% to 2.5% under budget at this stage of the financial year. This underspend is higher than the comparable position for 2014-15 of £1.1m (2.3%).
3. A review of any significant budget variances was undertaken by Business Accountants with Offices in November including a review of staff pay forecasts. Budgets have been amended to reflect the latest outturn forecasts, with a consequential £135k reduction in the SPCB's central contingency (see paragraph 11 for a breakdown).
4. All key reconciliations for the current year are up to date.
5. Payment performance within contract terms for the year to date exceeds the 99% target with performance for the month of November at 99.4%. The equivalent figure for payment within 10 days is 96.2% for the year to date.

Financial Results

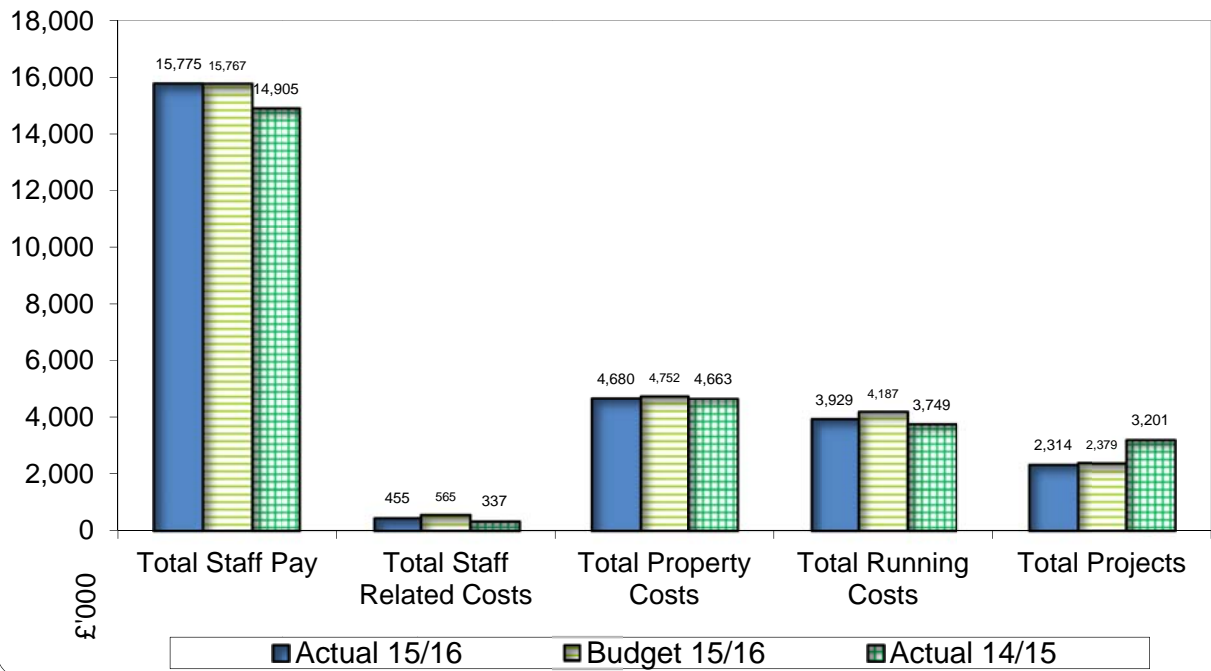
6. The SPCB's total revenue and capital expenditure per Schedule 1 for the eight months ended November 2015 is £48.0m, which is £1.6m (3.3%) under the approved budget of £49.6m.



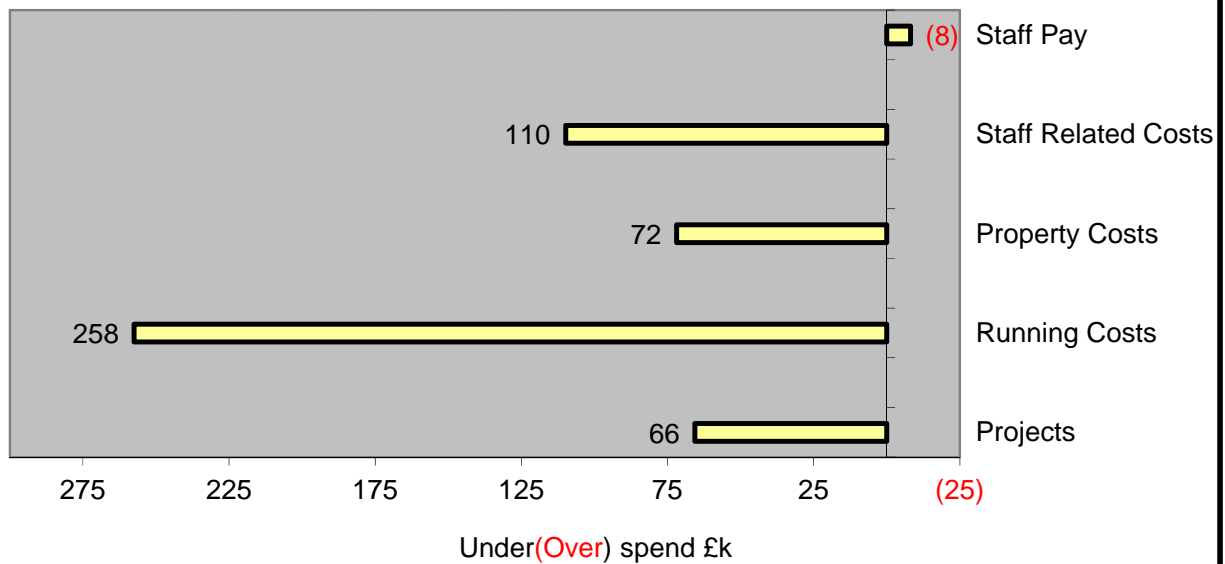
Parliamentary Service Costs (Schedule 2)

7. The year to date expenditure for the Parliamentary Service (SPS), at £27.2m, is £0.5m (1.8%) under budget. Parliamentary Service Costs incorporate both capital and revenue projects. The previous year's expenditure of £26.9m at period 8 was £0.3m (1.1%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.

Parliamentary Service YTD Expenditure £k

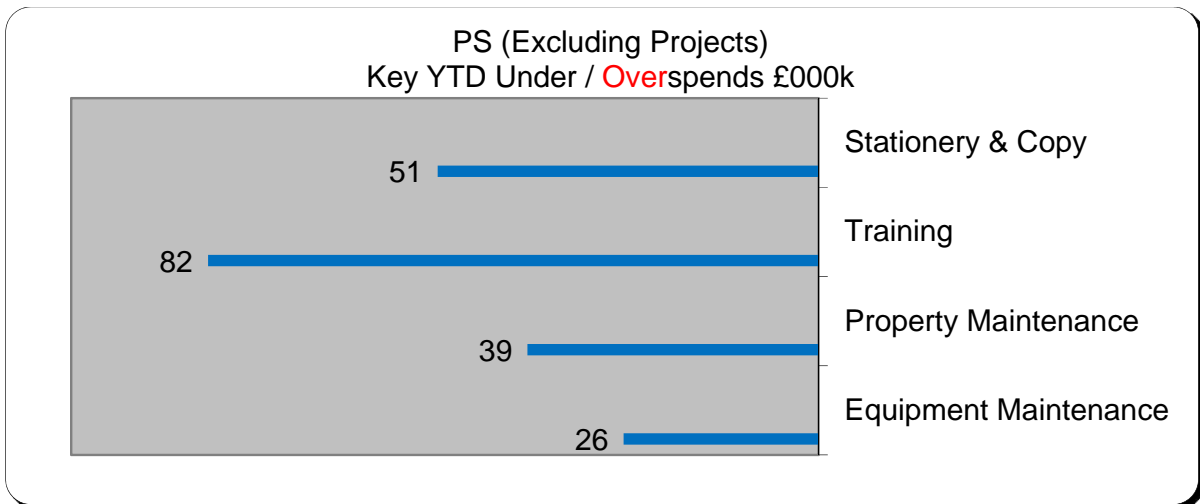


Parliamentary Service YTD Under & Overspends £k



- Staff Pay is reported as £8k (0.1%) over budget including Agency staff and contractors.
- Expenditure on staff pay to date is £15.8m, £530k (5.8%) higher than the equivalent 14-15 costs of £14.9m.

- Staff Related Costs of £455k are reported as £110k (19.4%) below budget, largely due to the Corporate and Job Related Training underspend of £82k. These costs are £118k (35%) higher compared to the equivalent period in 2014-15.
- Property Costs of £4.55m are £72k (1.5%) under the Year to Date budget. This is attributable to Maintenance (£39k), Property Advisors (£12k) and Utilities (£12k).
- Running Costs of £4.1m are £237k (5.4%) under budget. Main running cost underspends are Stationery & Copy Costs (£51k) and Equipment Maintenance (£26k).
- Project expenditure in the first eight months is currently at £2,314k, £66k (2.8%) below the phased year to date budget of £2,379k.



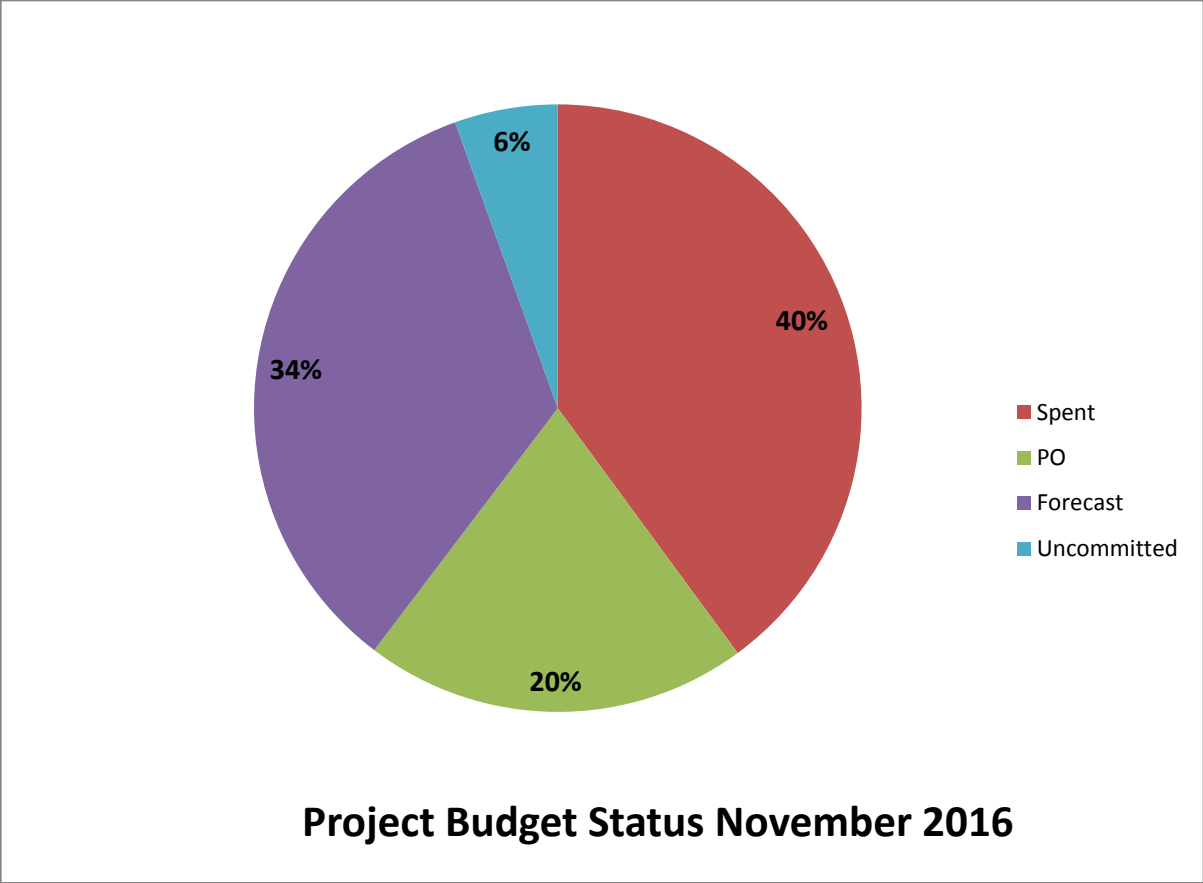
Project Reporting (Schedule 3):

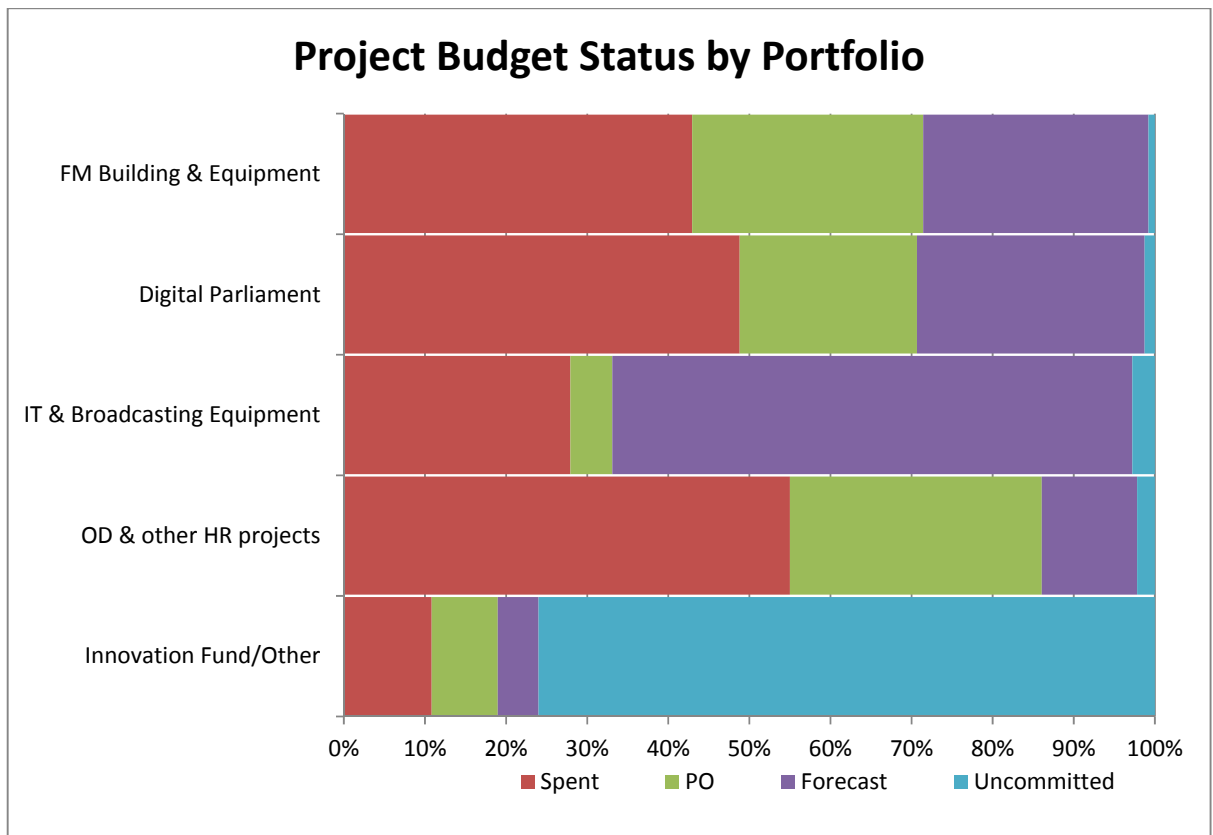
8. Schedule 3 shows project spend by category of project.

- Total project expenditure is £2,314k, £66k (2.8%) below the Year to Date budget of £2,379k. This expenditure represents 41% of the current annual budget. The total annual project budget is fully committed, with firm plans in place to spend the remaining annual budget in the final 4 months.
- Revenue Projects show a total spend of £2,122k against a budget of £2,190k, a reported underspend of £68k (6.2%).
- Capital Projects have spent £191k for the year to date against a budget of £189k, a small overspend of £2k (1.1%). £191k represents 16% of the annual capital project budget of £1.2 million. The unallocated

Capital budget of £236k has been earmarked for BIT Digital Work Place Project.

- The charts below provide an overview of the full year project budget by 'certainty' of expenditure.





Members' Costs (Schedule 2)

9. Members' costs are analysed in Schedule 2, which shows £15.57m reported cost to November 2015, £1.053m (6.3%) below the phased year to date budget. (The corresponding figures for 2014-15 at period 8 were an underspend of £804k, 4.9%). Of the 15-16 underspend, £959k (11.0%) relates to Members' Expenses. Party Assistance, at £248k, is reported as £61k under the year to date budget.

Commissioners & Ombudsman Costs (Schedule 2)

10. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) in the first eight months of 2015-16 amounts to £5.275m, which is £91k (1.7%) under the phased budget to November 2015. There is a balance of £261k available in the Officeholders' contingency fund but we are awaiting further staff bids.

Central Contingency

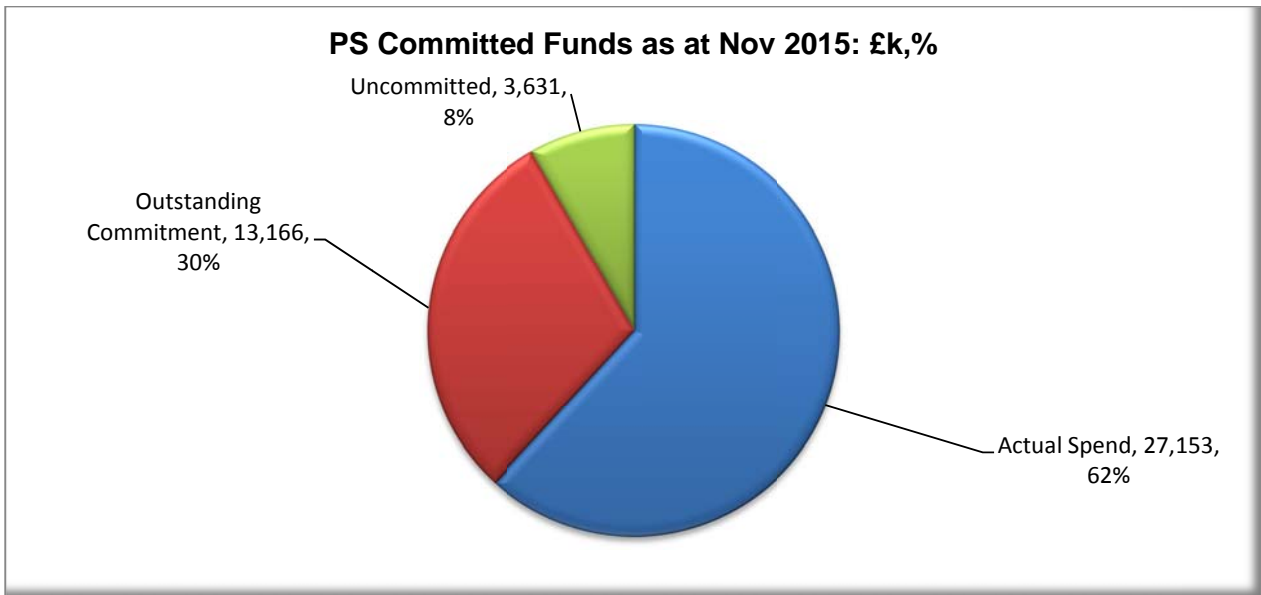
11. The SCPB's central contingency of £143k as at October has been reduced by £135k as a result of adjustments to the year-end outturn forecast and currently stands at £13k. The £135k comprised :-

- a. £30k in respect of agreed pay scale progression changes
- b. £35k for Corporate Training and Digital Accessibility
- c. £30k for a temporary increase to the Official Report staff budget

d. £38k in respect of the budgeted vacancy gap for November

Commitment

12. Actual expenditure plus commitment is £40.32m or 92% of the total PS budget of £43.95m as at the end of November 2015. Of the uncommitted budget, 60% (£2.97m) relates to IT and Broadcasting - £918k, FM - £596k and Digital Parliament - £175k Uncommitted budget includes forecast expenditure and unallocated funds.



Period 8
November 2015 Financial Schedules

Schedule 1

	Actual £'000	Year to Date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
Parliamentary Service Costs (Schedule 2)	27,153	27,650	497	1.8	43,949	42,962
Members' Costs (Schedule 2)	15,570	16,624	1,053	6.3	25,310	25,310
Commissioners & Ombudsman Costs (Schedule 2)	5,275	5,365	91	1.7	8,294	8,294
Sub Total	47,998	49,639	1,641	3.3	77,553	76,566
Reserves - SPCB Contingency				n/a	13	1,000
TOTAL SPCB EXPENDITURE	47,998	49,639	1,641	3.3	77,566	77,566

Schedule 2

	Actual £'000	Year-to-date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
<u>Parliamentary Service Costs</u>						
Staff Pay	15,775	15,767	(8)	(0.1)	23,498	22,973
Staff Related Costs	455	565	110	19.4	863	864
Property Costs	4,680	4,752	72	1.5	7,251	7,483
Running Costs (Including Events & Income)	3,929	4,187	258	6.2	6,744	6,542
Parliamentary Service Costs excluding Projects	24,839	25,270	431	1.7	38,355	37,862
Projects (Schedule 3)	2,314	2,379	66	2.8	5,594	5,100
Total PS Expenditure	27,153	27,650	497	1.8	43,949	42,962
<u>Members' Costs</u>						
MSP & Officeholders' Pay	7,594	7,627	33	0.4	11,440	11,440
MSP Expenses	7,729	8,688	959	11.0	13,399	13,389
Party Assistance	248	309	61	19.7	471	481
Total	15,570	16,624	1,053	6.3	25,310	25,310
<u>Commissioners & Ombudsman</u>						
Ethical Standards Commission	470	483	13	2.6	811	811
Standards Commission	148	159	11	6.8	232	232
Human Rights Commission	655	650	(5)	(0.8)	952	952
Scottish Information Commissioner	935	1,039	104	10.0	1,509	1,464
Public Services Ombudsman	2,206	2,175	(31)	(1.4)	3,242	3,242
Commissioner for Children	862	860	(1)	(0.2)	1,287	1,287
Reserves - C&O Contingency	0	0	0	n/a	261	306
Total	5,275	5,365	91	1.7	8,294	8,294

Period 8
November 2015 Financial Schedules

Schedule 3

Project Summary : August 2015	YTD Actual £k	YTD Budget £k	Variance £k	Variance %	Current Annual Budget £k	Original Approved Budget £k	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
Revenue Projects									
Allocated	2,122	2,190	68	3.1	4,361	3,672	48.7%	1,173	1,065
Unallocated	0	0	0	n/a	33	228	n/a	0	33
Total Revenue Projects	2,122	2,190	68	3.1	4,394	3,900	48.3%	1,173	1,098
							0.0		
							0.0%		
Capital Projects									
Allocated	191	189	(2)	(1.0)	964	1,200	19.8%	10	763
Unallocated	0	0	0	n/a	236	0	n/a	0	236
Total Capital Projects	191	189	(2)	(1.0)	1,200	1,200	15.9%	10	999
							0		
TOTAL	2,314	2,379	66	2.8	5,594	5,100	41.4%	1,183	2,097

By Portfolio:	YTD Actual £k	YTD Budget £k	Variance £k	Variance %	Current Annual Budget £k	Original Approved Budget £k	% Spent of Total Budget	Outstanding Commitment £k	Funds Available £k
FM Building & Equipment	989	1,009	20	2.0	2,242	1,990	44.1%	657	596
IT Capital & Broadcasting Equipment	382	402	20	5.1	1,370	1,264	27.9%	71	918
Digital Parliament	706	720	14	1.9	1,220	1,666	57.9%	316	198
Innovation Fund/Other	34	43	10	0	124	180	27.0%	25	65
OD and HR projects	203	205	2	1.0	401	0	50.6%	115	84
Total Projects Allocated	2,314	2,379	66	0.0	5,358	5,100	43.1%	1,183	1,861
Unallocated Project Budget	0	0	0	n/a	236	0	0.0%	0	236
TOTAL	2,314	2,379	66	2.8	5,594	5,100	41.4%	1,183	2,097