

**Chief Executive's Report to the SPCB
April 2014**

Introduction

This report covers activity in April and May and includes the Finance Report for Period 11 of 2013-14.

Some of the items to note include:-

- The Parliament has exceeded the 2013-2014 target to reduce its carbon emissions by 28% from the 2005-2006 baseline year and is on course to achieve its longer term target to reduce emissions by 42% by 2020.
- The fire alarm evacuation exercise held in the MSP Building earlier this month was completed in approximately seven minutes thanks to the cooperation of Members and their staff.
- Twelve members of staff from across the Scottish Parliamentary Service have been accepted to volunteer at the Commonwealth Games in Glasgow this year.

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

Committees and Outreach

Economy, Energy and Tourism Committee

The main focus for the Committee during the period of this report will be the continuation of its inquiry into Scotland's economic future post-2014. This will include an evidence-taking session in Aberdeen and two private, informal, Q&A sessions with business people as a way of engaging with and seeking the views of key business sectors.

Health and Sport Committee

As part of its work on access to new medicines the Committee will host a roundtable session on pharmacy on 29 April, in relation to the Scottish Government's *Prescription for Excellence*. During May, the Committee will return to its health inequalities theme, beginning an inquiry into early years.

Infrastructure and Capital Investment Committee

The Committee has been invited to visit both the Forth Rail Bridge and the site of the Queensferry Crossing project in early May. The Committee recently received an update from the Forth Road Crossing Team, and the site visit is well timed to follow this recent update.

On 7 May the Committee has the opportunity to pose questions to Robert Madelin, the EU Director-General for broadband and digital issues. In preparation the Committee has invited a range of stakeholders to put forward a small number of focussed questions to help ensure that the Committee gets the most out of this session. Members of other committees will also participate in this session.

Justice Committee

The Committee is currently considering the Courts Reform (Scotland) Bill at Stage 1 and as part of this process took evidence on 22 April from the Lord President. The Committee is due to begin Stage 2 scrutiny of the Criminal Justice (Scotland) Bill which will include consideration of amendments to the provisions relating to the abolition of the requirement for corroboration in criminal cases. As part of this process it will also be taking evidence on Scottish Government proposals to end automatic early release of some sex offenders and other dangerous offenders.

Local Government and Regeneration

As part of its inquiry into the flexibility and autonomy of Local Government, a delegation of committee members visited Hamburg, Copenhagen and Malmo during the Easter recess to speak to a range of politicians, officials and academics about the respective approaches in their regions and countries. Thereafter the Committee will hold a formal meeting in Stornoway concentrating on obtaining the views of island communities. In addition the Committee will take evidence from the Åland Islands (Finish islands situated midway between Finland and Sweden) by video conference. Later sessions

will hear from local politicians and council leaders as well as the third sector, think-tanks, academics and others.

Public Petitions Committee

The Public Petitions Committee will continue its consideration of the interesting mix of petitions submitted and will hold a debate in the Chamber during week commencing 28 April on an opt-out for organ donations. Looking forward, on 20 May the Committee is planning to hold a further round-table discussion on youth football, specifically with regard to contracts for youth players and training compensation payments. It is expected that the SPFL, the SFA and professional clubs will be represented.

Welfare Reform Committee

On 29 April the Committee will hear evidence on the new benefit sanctions from a Department of Work and Pensions official, and it is currently seeking to arrange a private meeting with Esther McVey the UK Government Minister with responsibility for sanctions. It will also receive evidence on 27 May from the Scottish Government's Expert Panel on Welfare Reform, which will set out its views on a welfare system post-independence.

UK and International Relations Office (UKIRO)

CPA Wales Branch will host the 44th British Isles and Mediterranean Regional Conference in the National Assembly for Wales, Cardiff, from 27 to 30 May 2014. The theme of the Conference will be "*Equality of Access to Democracy*". Patricia Ferguson MSP, Margaret Mitchell MSP, Tavish Scott MSP and Sandra White MSP will attend accompanied by Margaret Neal from UKIRO.

HR and Security

Twelve members of staff from across the Scottish Parliamentary Service have been successful in their applications to volunteer at the Commonwealth Games in Glasgow this year. They will fulfil a variety of functions including spectator and sponsor services, HR support, anti-doping services and transport. The organisation will support the volunteers with up to a maximum of five days Special Leave in acknowledgement of the benefits volunteering can bring to the business and to individuals on a personal level.

Communications and Research

- The new complaints handling procedure came into effect at the end of March 2014. The new [complaints webpages](#) are now live and an information leaflet for the public is available in the Main Hall and online. The information is available in large print, audio, Braille and British Sign Language video. The website includes guidance for staff, and public-facing staff are being encouraged to complete the e-learning modules on complaint handling.

- As a significant proportion of enquiries from the public over recent months have been about the referendum on independence, a selection of frequently asked questions about the referendum was added to the [FAQs](#) page of the website in March.

Facilities, Events, Exhibitions and Visitor Services

Facilities management

Health and Safety

- The Fire Safety Adviser and Health and Safety Adviser are working with the Institution of Occupational Safety and Health to update the guidance booklet for MSPs, "*Think about Health and Safety*", which was originally launched in 2007. We anticipate the revised booklet will be published in the coming months.
- In accordance with the SPCB's 3-year health and safety audit plan, planned audits of our processes and procedures for the next quarter include statutory inspections of plant equipment.

Fire Safety

- On Wednesday 2 April at approximately 11:00am a fire alarm simulation took place in the MSP Building, requiring the total evacuation of around two hundred occupants. The exercise was completed in approximately seven minutes with several learning points noted for action. I would record my thanks to Members and their staff for their cooperation in what is an important exercise to evidence our compliance with fire safety legislation, but more so in testing our systems and procedures in a realistic environment to ensure they are fit for purpose. In particular, evacuation exercises provide training to ensure occupants understand emergency evacuation procedures, including Personal Emergency Evacuation Plans (PEEPs).
- This year's fire safety training encompasses the use of fire extinguishers and shall commence during summer recess.

Environmental Performance

The Parliament has exceeded the 2013-2014 target to reduce its carbon emissions by 28% from the 2005-2006 baseline year and is on course to achieve its longer term target to reduce emissions by 42% by 2020.

Provisional figures indicate that emissions have been reduced by approximately 30% compared to the baseline year and down by over 8% compared to 2012-2013. These reductions have been achieved by reducing electricity and gas consumption. In late April Leadership Group will consider the environmental targets for 2014-2015 along with the carbon management projects for the year ahead.

Events and exhibitions

- The Presiding Officer will launch the Ryder Cup Heritage Exhibition in the Main Hall on Tuesday 29 April. This touring exhibition, on public display until Friday 30 May, was supported to help mark Scotland's hosting of the 40th Ryder Cup at Gleneagles later this year. The exhibition explores the history of the tournament and its growth into one of the world's biggest sporting events.
- Deputy Presiding Officer John Scott MSP will chair the final of Euroquiz 2014 in the Debating Chamber on Monday 12 May. The aim of this event was to promote and encourage education about Europe and the European Union among Primary 6 schoolchildren in Scotland.

Forward Look

The final of the Donald Dewar Memorial Debating Competition will take place in the Debating Chamber on Thursday 5 June.

SECTION 2 – SPCB FINANCE REPORT

Period 11 – February 2014

1. This report is to inform SPCB of general financial activity and expenditure trends in 2013-14.

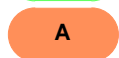
Executive Summary

Performance against Budget (year to date variance)		
a) Total SPCB revenue and capital expenditure	2.8%	Para 2 & 8
b) Total SPS expenditure	2.1%	Para 9
c) Total project expenditure	(0.2%)	Para 10
Operation of Financial Controls		
d) Key reconciliations up to date	100%	Para 4
Other Key Indicators		
e) Payment performance	99.5%	Para 6

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 financial year 2013-14 of £62.7m represents an under spend against budget of £1.8m (2.8%), which is outside the SPCB's target range of 0% to 2.5% under budget at this stage of the financial year. The overall underspend is lower, in percentage terms, than the comparable position for 2012-13 of £2.4m (3.8%).

3. The SPCB has surrendered a net amount of £3.2m from its approved 2013-14 budget to the Scottish Consolidated Fund in the Spring Budget Revision. This comprises a £3.3m rates rebate on the Holyrood building for the period 2010-11 to 2013-14, less £0.1m funding transferred from the Scottish Government to the SPCB for Electoral Commission costs in connection with the Referendum in the current financial year.

4. Key reconciliations for the current year are up to date including the main payroll control account where responsibility for preparing this was transferred from HR to Finance earlier this year.

5. The Finance Office has been liaising closely with the Scottish Government (SG) since the upgrade of the accounting system, SEAS, in April 2012. A log of issues has been maintained and good progress has been made in resolution of key items. Opportunities for further development will be investigated with a SG project for a new reporting tool now planned for 2014-15. We will be part of the project team on this implementation. A separate log of 2013-14 issues is being maintained to monitor progress once action has been agreed with the SG. A meeting on progressing these was held in February with the SG and a timetable to resolve the outstanding items agreed.

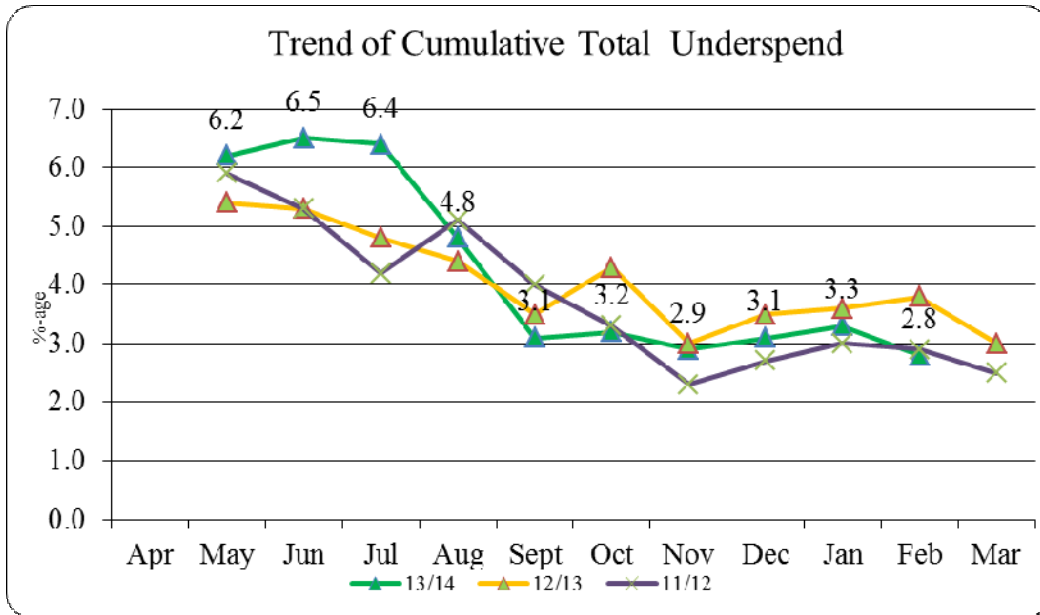
	Original upgrade April 2012	New issues logged this year	Total
Issues logged	75	19	94
Remaining issues at period 11	4	2	6
Prioritisation:			
High	0	0	0
Medium	4	1	5
Low	0	1	1

6. Payment performance within contract terms exceeds the 99% target for the year to date and the equivalent figure for payment within 10 days is 87.2%.

7. In conjunction with business areas, the Finance Office has developed a Financial Forecasting Tool (FFT) to improve the visibility of financial information across the Parliament's various offices and the accuracy of their financial forecasting. This has now been rolled out as planned to all offices, with the exception of UKIRO which will be included at the financial year end. User training, including for managers and budget holders, is substantially complete. The FFT will be used over the financial year end as a tool for gathering and managing accruals.

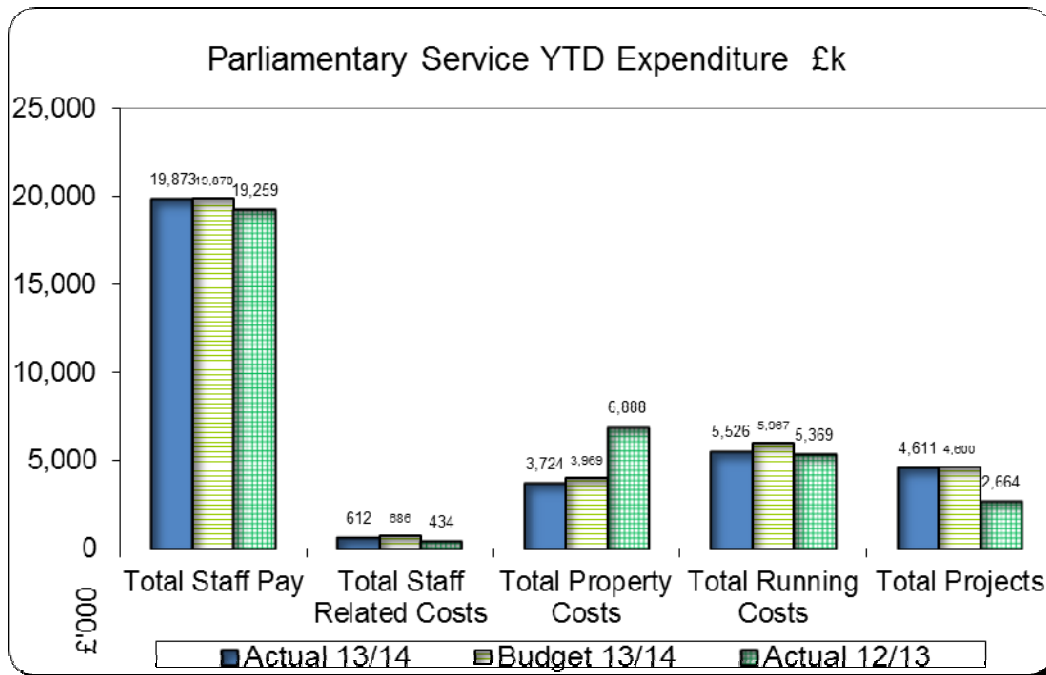
Financial Results

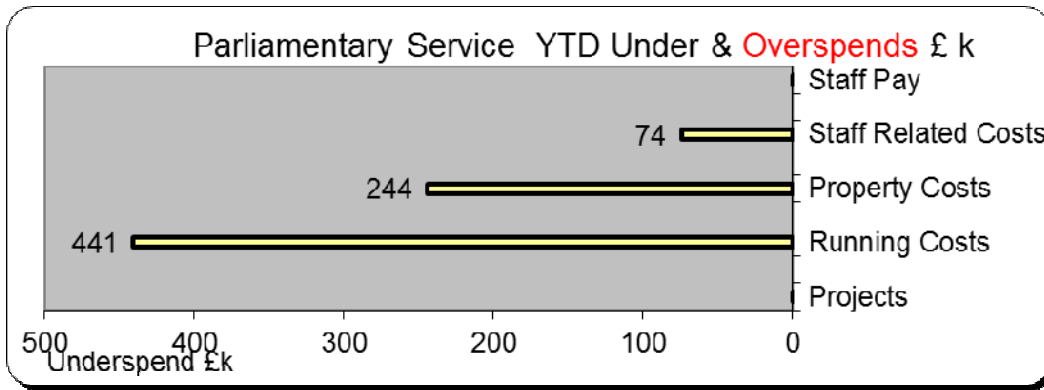
8. The SPCB's total revenue and capital expenditure per Schedule 1 for the eleven months ended February 2014 is £62.7m, which is £1.8m (2.8%) under the approved budget of £64.5m.



Parliamentary Service Costs (Schedule 2)

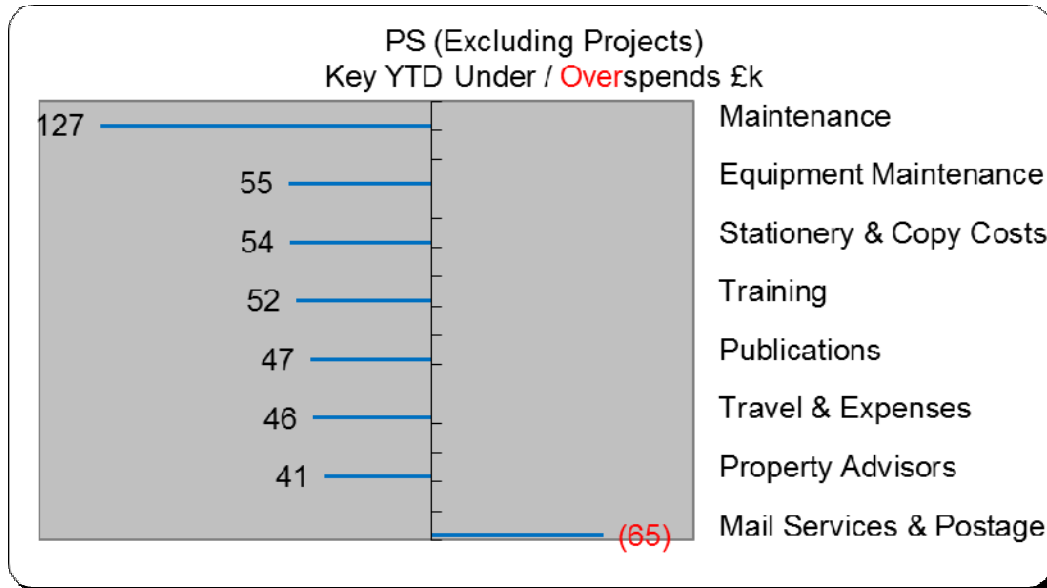
9. The cumulative expenditure for the Parliamentary Service (SPS), at £34.3m, is £0.7m (2.1%) under budget. This incorporates both capital and revenue projects. The previous year's expenditure of £35.4m at period 11 was £1.0m (2.7%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.





- Staff Pay is £4k (0.0%) over budget. Within this aggregate figure, there are variations between groups with Committees and Outreach showing a £64k overspend and BIT and Broadcasting showing a £25k underspend. The centrally managed pay costs (covering maternity pay and the modern apprentices) is showing a £46k underspend on the year to date position.
- Total staff costs are £614k (3.2%) higher than at the corresponding Period 11 position in 2012-13. The major components of this are Chamber and Reporting £157k (6.6%), Communication and Research £196k (7.0%) and HR and Security £137k (3.9%).
- Staff Related Costs of £612k are reported as £74k (10.8%) below budget, with Travel and Expenses accounting for £46k and Training for £52k. The underspend attributable to delays in processing corporate card transactions is now reducing as the new card has bedded in and staff resource is being allocated to process transactions associated with the old card. Total Staff Related Costs reported spend is £176k higher than at the corresponding period in 2012-13 with Training the main contributor, showing an £86k year on year increase in expenditure from £184k to £270k.
- Property Costs of £3.7m are £244k (6.2%) under the Year To Date budget – principally £127k in Maintenance, £42k in Utilities and £41k in Property Advisors. We have had assurances from FM that the maintenance budget will be fully committed for the end of the year. Following extended negotiations with the Lothian Assessor, we have secured a 19.6% reduction in the high rateable value initially placed on the Scottish Parliament by the 2010 Rating Revaluation. We have made arrangements to return the resulting rebate of £3.3m, covering the 4 years from 2010-11, to the Scottish Budget via the 2014 Spring Budget revision. This revision to the rates cost and associated budget has been reflected in this Finance Report.
- Running Costs of £5.5m are £441k (7.4%) under budget. The main running cost underspends are Equipment Maintenance (£55k), Stationery and Copy Costs (£54k) and Publications (£47k). As

previously reported, Mail Services and Postage costs are higher than budget, showing an overspend of £65k for the first 11 months.



Project Reporting (Schedule 3):

10. Schedule 3 shows project spend by category of project.
 - Overall project expenditure is currently within £10k (0.2%) of the year to date budget. 84.6% of the total project budget for the year has been spent and a further 19.6% committed by the end of February 2014. £387k was transferred in P11 from contingency to unallocated revenue projects. This is resulting in a planned overspend on projects in the region of £228k which will be offset by planned underspends in other parliamentary service costs.
 - Revenue Projects show a total spend of £897k against the year to date budget of £971k, a reported underspend of £73k (7.6%). The total allocated budget for the full year has been either spent or committed.
 - The capital expenditure programme for 2013-14 has seen expenditure to date of £3,713k against the year to date budget of £3,629k, a planned overspend of £84k or 2.3%.
 - Expenditure of £3.3m in respect of the External Security Facility (ESF) construction in the first nine months of 2013-14 takes the total ESF expenditure up to £6.1m. After allowing for the release of retentions and the remaining project management costs, the project has been completed within budget with the new entrance operational during August 2013 and the new exit operational mid-October 2013.

Members' Costs (Schedule 2)

11. Members' costs are analysed in Schedule 2, which shows £21.3m reported cost to February 2014, £1,037k (4.6%) below the phased budget. (The corresponding underspend figures for 2012-13 at the end of period 11 were £1,155k, 5.3%). Of this underspend, £868k (7.5%) is on Members' Expenses. Party Assistance at £357k is reported as £55k under the phased budget.

Commissioners and Ombudsman Costs (Schedule 2)

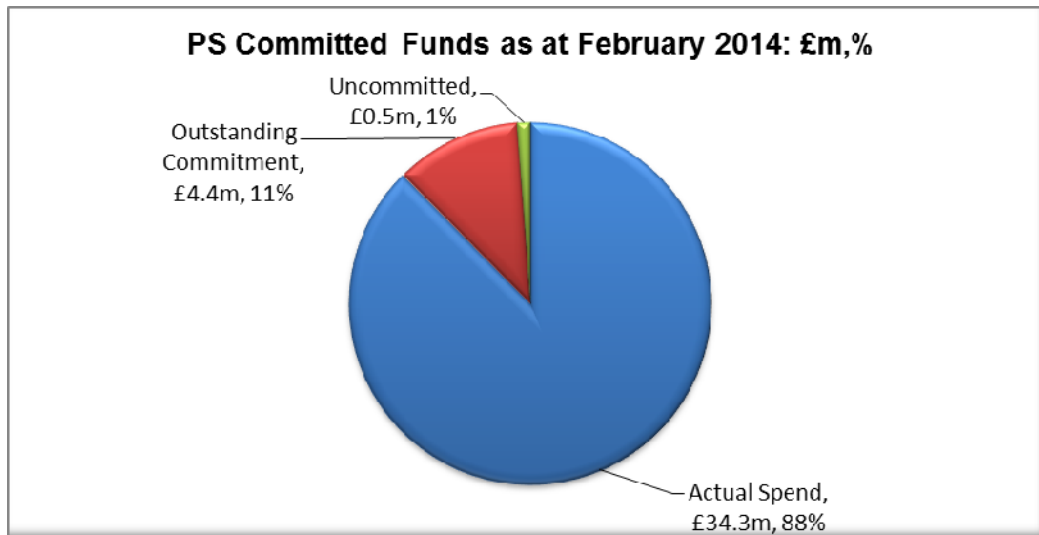
12. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) for the year to date amounts to £7.0m, which is £49k (0.7%) under the phased budget, the largest underspend being £34k for the Public Services Ombudsman. (The equivalent figures as at February 2013 showed an underspend of £347k or 4.7%).

Central Contingency

13. The SPCB's central revenue contingency of £497k as at period 10 has now been fully allocated out to parliamentary service budgets in period 11, with the majority, £387k, utilised to bring forward IT projects from the SPCB's planned 2014-15 capital expenditure programme. Transfers from contingency have also been utilised to fund planned timing differences in the Electoral Commission expenditure between 2013-14 and 2014-15, and property costs.

Commitment

14. The amount committed across the Parliamentary Service (including projects) stood at £38.7m or 99% of total annual PS budget.



Period 11
February 2014 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)	34,346	35,092	746	2.1	39,234	42,078
Members' Costs (Schedule 2)	21,288	22,325	1,037	4.6	24,511	24,511
Commissioners & Ombudsman Costs (Schedule 2)	7,030	7,079	49	0.7	8,059	8,059
Sub Total	62,664	64,496	1,832	2.8	71,804	74,648
Reserves - SPCB Contingency	0	0	0	n/a	0	500
TOTAL SPCB EXPENDITURE	62,664	64,496	1,832	2.8	71,804	75,148
Electoral Commission	0	0	0	0.0	185	0
TOTAL EXPENDITURE	62,664	64,496	1,832	2.8	71,989	75,148

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	19,873	19,870	(4)	(0.0)	21,682	21,977
Staff Related Costs	612	686	74	10.8	787	808
Property Costs	3,724	3,969	244	6.2	4,657	7,995
Running Costs (Including Events & Income)	5,526	5,967	441	7.4	6,660	6,798
Parliamentary Service Costs excluding Projects	29,735	30,491	756	2.5	33,786	37,578
Projects (Schedule 3)	4,610	4,600	(10)	(0.2)	5,448	4,500
Total PS Expenditure	34,346	35,092	746	2.1	39,234	42,078
<u>Members' Costs</u>						
MSP & Officeholders' Pay	10,198	10,313	115	1.1	11,250	11,250
MSP Expenses	10,734	11,601	868	7.5	12,806	12,806
Party Assistance	357	411	55	13.3	455	455
Total	21,288	22,325	1,037	4.6	24,511	24,511
<u>Commissioners & Ombudsman</u>						
Ethical Standards Commission	684	690	5	0.8	797	797
Standards Commission	201	205	4	1.8	226	226
Human Rights Commission	845	821	(24)	(3.0)	909	909
Scottish Information Commissioner	1,260	1,286	26	2.0	1,394	1,394
Public Services Ombudsman	2,913	2,947	34	1.2	3,207	3,207
Commissioner for Children	1,126	1,131	4	0.4	1,226	1,226
Reserves - C&O Contingency	0	0	0	n/a	300	300
Total	7,030	7,079	49	0.7	8,059	8,059

Period 11
February 2014 Financial Schedules

Schedule 3

Project Summary : February 2014	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	897	971	73	7.6	1,357	600	66.1%	485	(25)
Unallocated	0	0	0	0.0	387	900	0.0%	0	387
Total Revenue Projects	897	971	73	7.6	1,745	1,500	51.4%	485	363
Capital Projects									
Allocated	3,713	3,629	(84)	(2.3)	3,703	3,000	100.3%	581	(591)
Unallocated	0	0	0	0.0	0	0	0.0%	0	0
Total Capital Projects	3,713	3,629	(84)	(2.3)	3,703	3,000	100.3%	581	(591)
TOTAL	4,610	4,600	(10)	(0.2)	5,448	4,500	84.6%	1,066	(228)

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
IT	489	410	(79)	(19.2)	499	0	98.0%	580	(570)
FM Building & Equipment	648	693	45	6.4	1,056	600	61.4%	460	(52)
Engagement	(1)	0	1	n/a	0	0	0.0%	0	1
ESF Capital Construction	3,275	3,288	13	0.4	3,288	3,000	99.6%	21	(9)
Information Management	198	209	11	5.2	217	0	91.1%	5	14
Artwork / Other	0	0	0	0.0	0	0	0.0%	0	0
Total Projects Allocated	4,610	4,600	(10)	(0.2)	5,061	3,600	91.1%	1,066	(616)
Unallocated Project Budget	0	0	0	0.0	387	900	0.0%	0	387
TOTAL	4,610	4,600	(10)	(0.2)	5,448	4,500	84.6%	1,066	(228)