

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



## **Introduction**

This report covers activity in February and March and includes the Finance Report for Period 10 of 2013-14.

Some of the items to note include:-

- A review of the outcome of the Infrastructure and Capital Investment Committee's formal external meeting held in Dumbarton as part of Parliament Day is to be presented to the Conveners' Group at the request of the Presiding Officer.
- The Information Governance Team is working on new e-training for SPCB and MSP staff on Freedom of Information (FOI) and data protection with the rollout planned for April or May 2014
- NGBU held a successful drafters event in early March, bringing together members of its drafting panel with Scottish Government drafters and Parliament officials to share experience and discuss best practice.
- An update on the pilot to provide subtitles for FMQs.
- The arrival of works by artist George Wyllie MBE (1921-2012), acquired for the Scottish Parliament's collection.

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**

### **Chamber and Reporting**

#### **Non-Government Bills Unit (NGBU)**

- The Consideration Stage of a Private Bill relating to Portobello Park has begun – the first time this session that a Private Bill Committee has given detailed consideration to objections.
- NGBU clerks and the Office of the Solicitor of the Scottish Parliament have provided a briefing and support for David Stewart MSP in relation to his Member's Bill on defective and dangerous buildings during Stage 1 scrutiny of the Bill.
- NGBU held a successful drafters event in early March, bringing together members of its drafting panel with Scottish Government drafters and Parliament officials to share experience and discuss best practice.

### **Committees and Outreach**

#### **Equal Opportunities Committee**

The Equal Opportunities Committee took oral evidence on its inquiry into fathers and parenting, focussing on employment to complement its previous inquiry, *Women and Work*. The Committee has also agreed to conduct post-legislative scrutiny relating to Female Genital Mutilation child abuse and to consider the Scottish Government's response to the report by the Advisory Group on Tackling Sectarianism in Scotland.

#### **European and External Relations Committee**

The Committee continued its inquiry into the Scottish Government's proposals for an independent Scotland: membership of the European Union with evidence sessions with the Secretary of State for Scotland on 20 March and the Deputy First Minister on 3 April. The Committee will then consider a draft report.

#### **Health and Sport Committee**

On 25 March the Health and Sport Committee held an evidence-taking session on access to services as part of its ongoing work on health inequalities, with a second session planned for 1 April. Additionally, the Committee will be holding a further session on the Scottish Government Action Plan for Pharmaceutical Care and 7-day care on 29 April. It also expects to take oral evidence from the Minister for Public Health on 20 May as a follow-up to the Scottish Government response to its report on teenage pregnancy. Finally, it is expected that the Committee will become the first committee to have 1,000 Twitter followers before the end of March.

#### **Infrastructure and Capital Investment (ICI) Committee**

The ICI Committee held a formal external meeting in the Burgh Hall, Dumbarton on Monday 24 February from 6:00pm to 8:00pm, as part of

Parliament Day. It is understood that this was the first time a formal external committee meeting had been held in the evening. There was also a short question and answer session after the formal meeting ended which allowed members of the public to engage directly with Committee members. The meeting was successful and a review of the outcomes will be presented to Conveners' Group in the coming weeks at the request of the Presiding Officer.

### **Public Audit Committee**

The Public Audit Committee will be publishing three reports on the Scottish Rate of Income Tax, Scotland's Colleges 2013, and Police Reform. The Committee will also be taking evidence on the Auditor General for Scotland's report on Reshaping Care for Older People.

### **Public Petitions Committee**

In relation to two ongoing petitions (an opt-out for organ donation and a register of interests for Scotland's judiciary) the Committee has sought time in the Chamber to debate the issues raised in these petitions and anticipates Chamber time in April to debate the opt-out for organ donation. At its first meeting in April the Committee expects to consider and take evidence on a petition seeking to rename Glasgow Prestwick Airport to Robert Burns International Airport.

### **Rural Affairs, Climate Change and Environment (RACCE) Committee**

On 12 March the RACCE Committee took evidence from the UK Secretary of State for Environment, Food and Rural Affairs, the Rt Hon Owen Paterson MP, on a range of relevant issues including the controversial allocation across the UK of EU agricultural and rural development support funds. On 13 March the Committee hosted an informal briefing for MSPs by Michael Scannell, Director of the Food and Veterinary Service at the European Commission, on the latest developments in the EU on food safety and animal health issues (including issues of interest to Scotland such as the recent horsemeat scandal and incidences of tree diseases such as ash dieback).

### **Welfare Reform Committee**

The Committee held a Chamber Debate on the issue of the UK Government's welfare reforms on 13 March. The debate provided an opportunity to reflect on the impact of the UK Government welfare reforms since they came into force in April 2013. Facilitated by Citizens Advice Scotland and One Parent Families Scotland, the Committee held an informal fact-finding visit with individuals who have been subject to benefit sanctions. This evidence was used to inform a roundtable session on benefit sanctions with organisations involved in providing support and assistance to individuals affected. On 22 April as part of the Committee's 'Your Say' initiative an informal evidence session will be held with clients of Glasgow Disability Alliance to consider the impact of welfare reform on support for disabled people.

### **UK and International Relations Office (UKIRO)**

- Deputy Presiding Officer, John Scott MSP, will lead a cross-party delegation of MSPs on the British Irish Parliamentary Assembly (BIPA) to

its bi-annual plenary. This will take place in Dublin from 30 March to 1 April. The theme of the plenary is “The Future of Work”. Confirmed speakers are the Taoiseach, Enda Kenny TD, and the CEO of Ryanair, Michael O’Leary.

- Bruce Crawford MSP and Tavish Scott MSP will attend a Seminar on the topic of coalition and minority governments in Georgetown Guyana from 1 to 3 April 2014. Both Members will play in active role in delivering keynote speeches and sharing knowledge and experience with Guyanese MPs. This visit is a result of an invitation from the Speaker of the Parliament of Guyana. The Seminar is being funded by the United Nations Development Programme, the British High Commission in Guyana and the Parliament of Guyana.
- The Presiding Officer will lead the Scottish Parliament delegation to North America for Scotland Week 2014 which commences on 3 April. Linda Fabiani MSP and Rhoda Grant MSP are the other members of the delegation. They will undertake a wide range of engagements in New York, at the Canadian Federal Parliament in Ottawa and at the Ontario State Legislature in Toronto.

## **HR and Security**

### **Equalities**

In November last year I advised that we were implementing a three month pilot to provide subtitles for FMQs. This pilot is now complete and the initial feedback has been extremely encouraging with deaf and hard of hearing groups welcoming the efforts made by the Parliament to enhance the services that it provides. Having received such positive feedback, we now intend to create a subtitling service and officials are currently looking at how this will be achieved. I will come back to the Corporate Body with a report and recommendations at a future date.

## **Communications and Research**

### **Information Governance**

- The Information Governance Team is working on new e-training for SPCB and MSP staff on Freedom of Information (FOI) and data protection with the rollout planned for April or May 2014. The training, which is mandatory for SPCB staff and voluntary for MSP staff, will take the form of a 20 minute session which may be stopped and re-started and therefore more easily fitted around other tasks.
- 52 FOI requests have been received during January – February 2014 compared with 38 requests during the same period in 2013. There are no discernable trends to explain the increase in requests, although subjects include Members’ expenses, catering and maintenance costs. All FOI

requests received to date in 2014 have been answered within the statutory time deadline for reply.

### **Public Information and Publications**

As part of the Digital Parliament programme, a project team on Business Publications is looking at how staff and Members use printed versions of business documents. They are hoping to run a short trial to monitor take up rates from the SPICe desk and P1.02 in the near future.

### **SPICe**

SPICe is working on a “Commonwealth Scotland” SPICe Briefing – this will track social, economic and environmental trends from the time Scotland first hosted the Commonwealth Games (1970) through 1986, to now. We are trying to build digital capability into this, for example including, or linking directly to, video contributions and interactive infographics.

## **Facilities, Events, Exhibitions and Visitor Services**

### **Facilities Management (FM)**

#### **Building Maintenance and Project Work**

- Over the coming months FM will be replacing the coffee machines in the garden level restaurant which are reaching their end of life. The new coffee machines will be relocated to the current cutlery area outside the servery to help queue management and customer flow in the restaurant. We are examining whether they should be token or pass operated to enable their use outside restaurant hours.
- Maintenance activity continues throughout the campus including high level window cleaning and refurbishment and routine portable appliance testing of electrical equipment across the building including Members’ offices.

#### **Honey Bee Project**

On 5 March two bee hives were installed in the MSP Garden. Depending on the weather the bees will arrive in late May to mid-June. We are participating in this initiative to help boost the declining honey bee population in line with our environmental policy objective to support biodiversity. The beehives will be managed and maintained by Kelvin Valley Honey at no cost to the Scottish Parliament. More information is available on the Parliament’s website and an information session will be held on the 31 March for Members and staff.

### **Health and Safety**

The inaugural meeting of the Fire, Health and Safety Steering Group was held on 27 February. The Group was set up in response to a recommendation made in a recent audit of the Health and Safety Management System (“the system”) and aims to provide strategic oversight of the system, to advise Leadership Group on the direction for the system and to drive continuous improvement. The inaugural meeting focused on the remit of the Group, the

key performance indicators which will be used to monitor Health and Safety performance and the Health and Safety audit plan.

### **Events and Exhibitions**

New works by artist George Wyllie MBE (1921-2012), acquired for the Scottish Parliament's own collection, were unveiled by the Presiding Officer and went on public display during week commencing 17 March. *Contemplace* is a variation on a Scottish throne, with references to the designs of Charles Rennie Mackintosh and the Stone of Destiny. A maquette for the Berlin Burd sculpture and associated works on paper are also on display, along with some loans from the Wyllie family and Wyllie Foundation.

## SECTION 2 – SPCB FINANCE REPORT

### Period 10 – January 2014

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

#### Executive Summary

<b>Performance against Budget (year to date variance)</b>		
a) Total SPCB revenue and capital expenditure	<b>3.3%</b>	Para 2 & 8
b) Total SPS expenditure	<b>2.7%</b>	Para 9
c) Total project expenditure	<b>4.5%</b>	Para 10
<b>Operation of Financial Controls</b>		
d) Key reconciliations up to date	<b>100%</b>	Para 3
<b>Other Key Indicators</b>		
e) Payment performance	<b>99.5%</b>	Para 5

**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 £59.9m represents an under spend against budget of £2.1m (3.3%), 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 £2.1m (3.6%).
3. Key reconciliations for the current year are up to date including the main payroll control account where responsibility for preparing this has now been transferred from HR to Finance.
4. The Finance Office has been liaising closely with the Scottish Government (SG) since the upgrade of 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

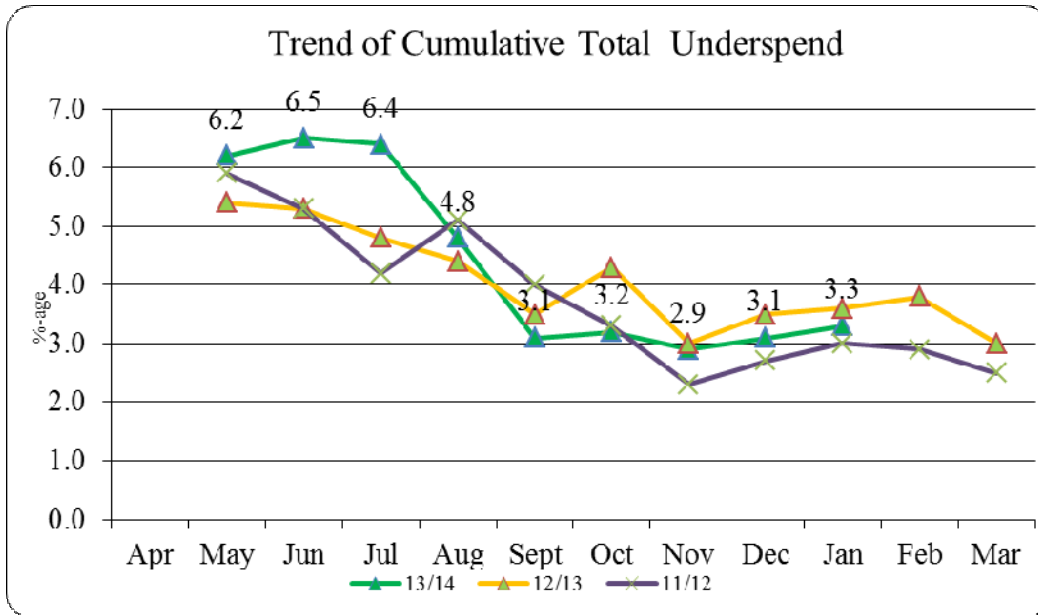
SG. A meeting on progressing these was held in February with the SG and a timetable to resolve the outstanding items agreed.

	Original upgrade April 2012	New issues logged this year	Total
Issues logged	75	18	93
Remaining issues at period 10	5	3	8
Prioritisation:			
High	0	0	0
Medium	5	1	6
Low	0	2	2

5. Payment performance within contract terms exceeds the 99% target for the year to date and the equivalent figure for payment within 10 days is 87.5%.
6. 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.
7. The average variance between the expenditure shown in the FFT and the actual expenditure reported in the core financial system, SEAS, is less than 2% with most offices reporting variances of 0% or 1%. This is within the 2.5% tolerance agreed by Leadership Group when approving the deployment.

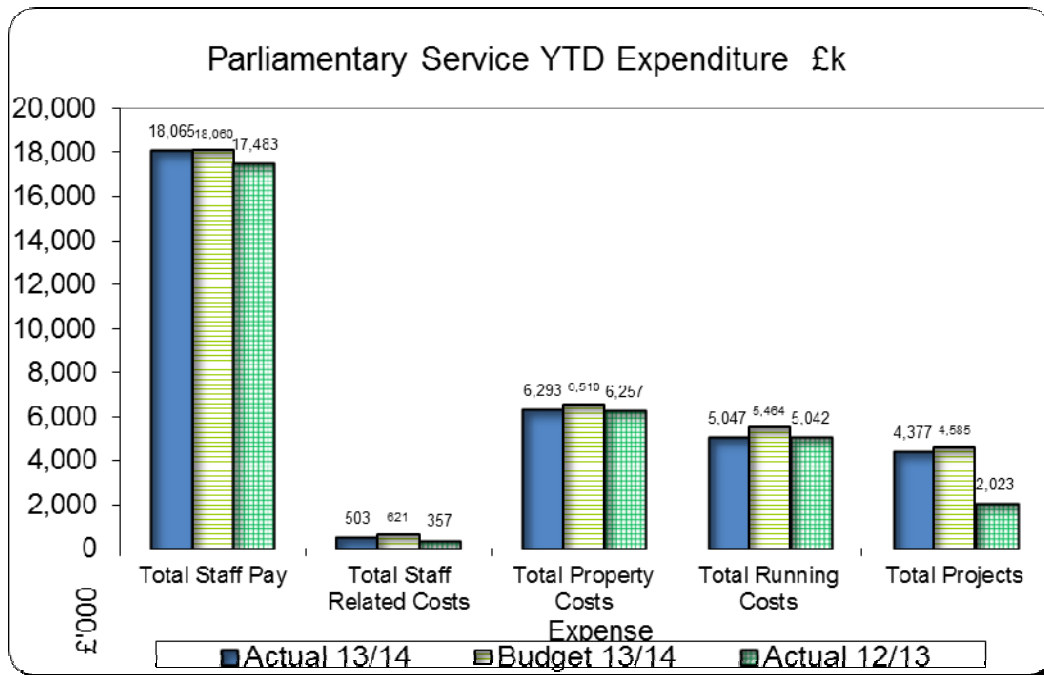
### **Financial Results**

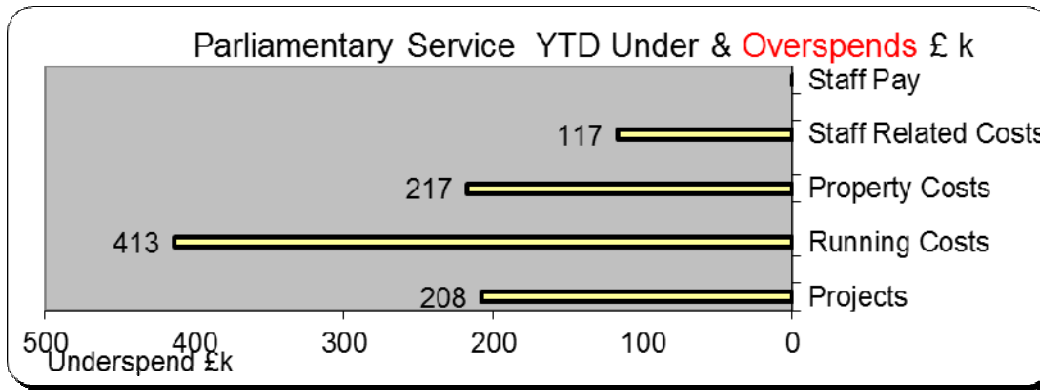
8. The SPCB's total revenue and capital expenditure per Schedule 1 for the ten months ended January 2014 is £59.9m, which is £2.1m (3.3%) under the approved budget of £61.8m.



### Parliamentary Service Costs (Schedule 2)

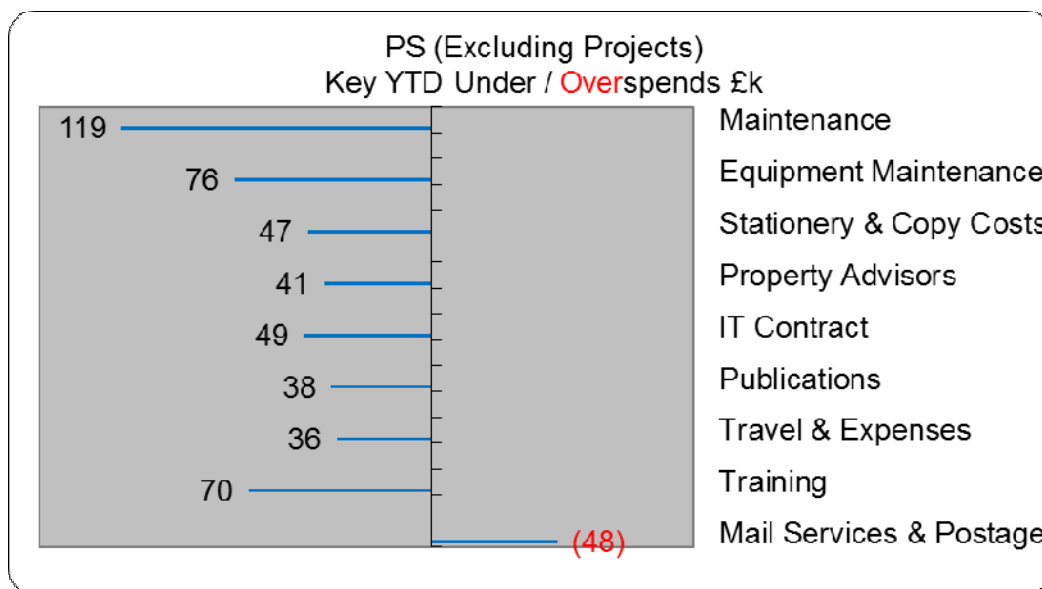
9. The cumulative expenditure for the Parliamentary Service (SPS), at £34.3m, is £1.0m (2.7%) under budget. This incorporates both capital and revenue projects. The previous year's expenditure of £29.9m at period 10 was £0.8m (2.5%) below budget. An analysis of the current financial year by main category of expenditure is shown in the two charts below.





- Staff Pay is £6k (0.0%) over budget. Within this aggregate figure, there are variations between groups with Committee & Outreach showing a £46k overspend and BIT and Broadcasting showing a £14k underspend. The centrally managed pay costs (covering maternity pay and the modern apprentices) is showing a £33k underspend on the year to date position.
- Total staff costs are £582k (3.3%) higher than at the corresponding Period 10 position in 2012-13. The major components of this are Chamber and Reporting £158k (7.3%), Communication and Research £164k (6.5%) and HR and Security £129k (4.0%).
- Staff Related Costs of £503k are reported as £117k (18.9%) below budget, with Travel and Expenses accounting for £36k and Training for £70k. 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 Cost reported spend is £146k higher than at the corresponding period in 2012-13 with Training the main contributor, showing an £81k year on year increase in expenditure from £141k to £222k.
- Property Costs of £6.3m are £217k (3.3%) under the Year To Date budget – principally £119k in Maintenance and £41k in Property Advisors. The maintenance budget is expected to 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 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 Consolidated Fund via the 2014 Spring Budget revision. The revision to the rates cost will be reflected in subsequent Finance Reports at that time.
- Running Costs of £5.0m are £413k (7.6%) under budget. Main running cost underspends are Equipment Maintenance (£60k), Stationery and Copy Costs (£47k) and Publications (£38k). As previously reported, Mail Services and Postage costs are currently running ahead of

budget, showing an overspend of £48k for the first 10 months, but are expected to be close to the full year budget by the year end.



### Project Reporting (Schedule 3):

10. Schedule 3 shows project spend by category of project.
  - Overall, 86.5% of the total project budget for the year has been spent and a further 12.3% committed by the end of January 2014.
  - Revenue Projects show a total spend of £736k against the year to date budget of £991k, a reported underspend of £255k (25.8%). 13.7% of the current annual budget, amounting to £187k, is yet to be spent or committed.
  - The capital expenditure programme for 2013-14 has seen expenditure to date of £3,641k against the year to date budget of £3,593k, an overspend of £47k or 1.3%.
  - 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 £19.3m reported cost to January 2014, £996k (4.9%) below the phased budget. (The corresponding underspend figures for 2012-13 at the end of period 10 were

£968k, 4.9%). Of this underspend, £835k (7.9%) is on Members' Expenses. Party Assistance at £323k is reported as £51k under the phased budget.

### Commissioners and Ombudsman Costs (Schedule 2)

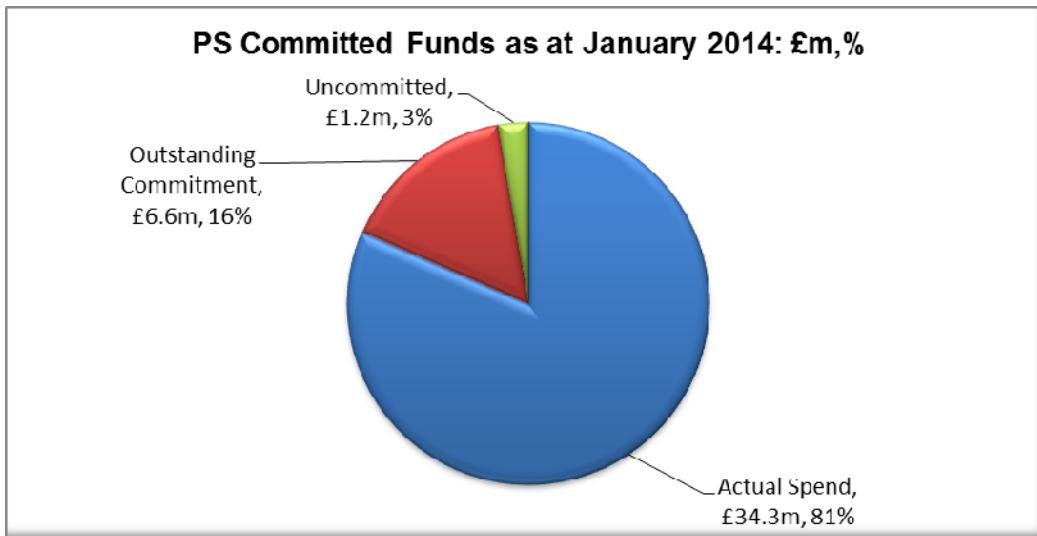
12. The SPCB's funding cost for Commissioners and Ombudsman (Officeholders) for the year to date amounts to £6.3m, which is £112k (1.7%) under the phased budget, the largest underspend being £48k for the Scottish Information Commissioner. (The equivalent figures as at January 2013 showed an underspend of £337k or 5.1%).

### Central Contingency

13. The SPCB's central revenue contingency has increased from £462k to £497k as a result of FM Projects returning £35k budget. The November forecasting exercise enabled us to bring forward two Broadcasting projects (£175k) from 2014-15 and we are working with BIT to identify similar opportunities to re-phase its capital expenditure programme.

### Commitment

14. The amount committed across the Parliamentary Service (including projects) stood at £40.9m or 97% of total annual PS budget.



Period 10  
January 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)	34,285	35,239	953	2.7	42,081	42,078
Members' Costs (Schedule 2)	19,309	20,305	996	4.9	24,511	24,511
Commissioners & Ombudsman Costs (Schedule 2)	6,336	6,447	112	1.7	8,059	8,059
Sub Total	<b>59,930</b>	<b>61,991</b>	<b>2,061</b>	<b>3.3</b>	<b>74,651</b>	<b>74,648</b>
Reserves - SPCB Contingency	0	0	0	n/a	497	500
<b>TOTAL EXPENDITURE</b>	<b>59,930</b>	<b>61,991</b>	<b>2,061</b>	<b>3.3</b>	<b>75,148</b>	<b>75,148</b>

**Schedule 2**

	Actual £'000	Year-to-date Budget £'000	Variance £'000	Variance %	Current Annual Budget £'000	Original Approved Budget £'000
<b><u>Parliamentary Service Costs</u></b>						
Staff Pay	18,065	18,060	(6)	(0.0)	21,682	21,977
Staff Related Costs	503	621	117	18.9	787	808
Property Costs	6,293	6,510	217	3.3	7,891	7,995
Running Costs (Including Events & Income)	5,047	5,464	416	7.6	6,660	6,798
<b>Parliamentary Service Costs excluding Projects</b>	<b>29,909</b>	<b>30,654</b>	<b>745</b>	<b>2.4</b>	<b>37,020</b>	<b>37,578</b>
<b>Projects (Schedule 3)</b>	<b>4,377</b>	<b>4,585</b>	<b>208</b>	<b>4.5</b>	<b>5,061</b>	<b>4,500</b>
<b>Total PS Expenditure</b>	<b>34,285</b>	<b>35,239</b>	<b>953</b>	<b>2.7</b>	<b>42,081</b>	<b>42,078</b>
<b><u>Members' Costs</u></b>						
MSP & Officeholders' Pay	9,265	9,375	110	1.2	11,250	11,250
MSP Expenses	9,720	10,556	835	7.9	12,806	12,806
Party Assistance	323	374	51	13.7	455	455
<b>Total</b>	<b>19,309</b>	<b>20,305</b>	<b>996</b>	<b>4.9</b>	<b>24,511</b>	<b>24,511</b>
<b><u>Commissioners &amp; Ombudsman</u></b>						
Ethical Standards Commission	641	629	(12)	(2.0)	797	797
Standards Commission	174	188	15	7.7	226	226
Human Rights Commission	778	792	14	1.8	909	909
Scottish Information Commissioner	1,118	1,166	48	4.1	1,394	1,394
Public Services Ombudsman	2,614	2,651	37	1.4	3,207	3,207
Commissioner for Children	1,011	1,021	10	1.0	1,226	1,226
Reserves - C&O Contingency	0	0	0	n/a	300	300
<b>Total</b>	<b>6,336</b>	<b>6,447</b>	<b>112</b>	<b>1.7</b>	<b>8,059</b>	<b>8,059</b>

Period 10  
January 2014 Financial Schedules

**Schedule 3**

<b>Project Summary : January 2014</b>	<b>YTD Actual £k</b>	<b>YTD Budget £k</b>	<b>Variance £k</b>	<b>Variance %</b>	<b>Current Annual Budget £k</b>	<b>Original Approved Budget £k</b>	<b>% Spent of Total Budget</b>	<b>Outstanding Commitment £k</b>	<b>Funds Available £k</b>
Revenue Projects									
Allocated	736	991	255	25.8	1,357	600	54.2%	434	187
Unallocated	0	0	0	0.0	0	900	0.0%	0	0
<b>Total Revenue Projects</b>	<b>736</b>	<b>991</b>	<b>255</b>	<b>25.8</b>	<b>1,357</b>	<b>1,500</b>	<b>54.2%</b>	<b>434</b>	<b>187</b>
Capital Projects									
Allocated	3,641	3,593	(47)	(1.3)	3,703	3,000	98.3%	189	(126)
Unallocated	0	0	0	0.0	0	0	0.0%	0	0
<b>Total Capital Projects</b>	<b>3,641</b>	<b>3,593</b>	<b>(47)</b>	<b>(1.3)</b>	<b>3,703</b>	<b>3,000</b>	<b>98.3%</b>	<b>189</b>	<b>(126)</b>
<b>TOTAL</b>	<b>4,377</b>	<b>4,585</b>	<b>208</b>	<b>4.5</b>	<b>5,061</b>	<b>4,500</b>	<b>86.5%</b>	<b>623</b>	<b>61</b>

<b>By Portfolio:</b>	<b>YTD Actual £k</b>	<b>YTD Budget £k</b>	<b>Variance £k</b>	<b>Variance %</b>	<b>Current Annual Budget £k</b>	<b>Original Approved Budget £k</b>	<b>% Spent of Total Budget</b>	<b>Outstanding Commitment £k</b>	<b>Funds Available £k</b>
IT	382	359	(23)	(6.4)	499	0	76.5%	189	(72)
FM Building & Equipment	537	737	200	27.1	1,056	600	50.8%	360	159
Engagement	(1)	0	1	n/a	0	0	0.0%	0	1
ESF Capital Construction	3,278	3,288	10	0.3	3,288	3,000	99.7%	34	(24)
Information Management	181	201	20	9.9	217	0	83.2%	39	(3)
Artwork / Other	0	0	0	0.0	0	0	0.0%	0	0
<b>Total Projects Allocated</b>	<b>4,377</b>	<b>4,585</b>	<b>208</b>	<b>4.5</b>	<b>5,061</b>	<b>3,600</b>	<b>86.5%</b>	<b>623</b>	<b>61</b>
<b>Unallocated Project Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>900</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>4,377</b>	<b>4,585</b>	<b>208</b>	<b>4.5</b>	<b>5,061</b>	<b>4,500</b>	<b>86.5%</b>	<b>623</b>	<b>61</b>