Report No: **SLAB/2021/02**

Agenda Item: 06

|  |  |
| --- | --- |
| **Report to:** | The Board |
| **Meeting Date:** | 15 March 2021 |
| **Report Title** | SLAB Administration – Finance and Resource Report |
| **Report Category** | For Information |
| **Issue status:** | Business as usual |

|  |  |
| --- | --- |
| **Written by:** | Audrey Crawford |
| **Director responsible:** | Graeme Hill |
| **Presented by:** | Graeme Hill |
| **Contact details:** | hillgr@slab.org.uk |

|  |
| --- |
| **Delivery of Strategic Objectives** |
| Select the Strategic Objective(s) relevant to the issues  | 1. We deliver a high quality user focussed service
 |

|  |
| --- |
| **Link to Board or Committee Remit** |
| This paper is linked to the Board’s role in monitoring the financial position of SLAB expenditure. |

|  |
| --- |
| **Publication of the Paper** |
| The Board has previously agreed that this paper should be published as a matter of routine. It will be published on our website in due course. |

|  |
| --- |
| **Executive Summary** |
| Expenditure for the period ended 31st January 2021 is £10.7m  |

|  |
| --- |
| **Previous Consideration** |
| **Meeting** | **Detail** |
| 14th December 2020 -SLAB/2020/42 | The previous report showed expenditure and resources for the period ended 31st October 2020.  |

|  |
| --- |
| **Report** |

**1. Grant-in-Aid Funding**

The core funding we are to receive from the Scottish Government is £11,650k. Core funding normally includes £100k of capital funding, this was increased to £250k for 2020-21 to accommodate homeworking equipment. Core cash funding (after removing £550k of funding for Depreciation) is £11,100k. We are also allowed to retain £250k of superannuation receipts and anticipate a contribution of £20k towards the costs of administering the SWRC Project and £61k from SG Consumer Group for the grant funding programme we administer on their behalf. Additional monies have also been added for estimated pension costs above the £327k threshold, bringing total in year funding to £13,104k. The opening bank balance is £767k which brings total available funding to £13,871.

|  |  |  |
| --- | --- | --- |
| **Funding** | **2019-20****Actual** | **2020-21****Budget** |
|  | **£k** | **£k** |
| Core SG Funding (Actual/SG budget) | **11,650** | **11,650** |
| Non cash funding for Depreciation | **(550)** | **(550)** |
| Retained superannuation receipts | **250** | **250** |
| Additional funding for Grant Funding/ SWRC  | **752** | **812** |
| Additional funding for pensions costs above £327k | **1,3151** | **1,6731** |
| **Total in year cash funding** | **12,740** | **13,104** |
| **Bank balance brought forward from previous year** | **450** | **767** |
| **Total available cash funding for the year** | **13,190** | **13,871** |

1 Total 2019-20 pension costs were £1,642k (shown as £1,315k + £327k). 2020-21 pensions budget is currently £2,000k (shown as £1,673k + £327k)

2 £61k for grant funding administration and an estimated £20k for SWRC.

We receive additional grant-in-aid for any pension costs above £327k. Pension costs are estimated to be between £1.8m and £2m in 2020-21 so additional funding of £1,673k is included in the table above.

We are required to transfer to the Scottish Government any pension receipts (contributions and transfers in) over £250k. Pension receipts are set out in the following table.

|  |  |  |
| --- | --- | --- |
| **Pension receipts****(Pension contributions and transfers in)** | **2019-20****Actual** | **2020-21****Estimate** |
|  | **£k** | **£k** |
| Pension receipts  | 455 | 445 |
| Amount to be retained | 250 | 250 |
| **Amount to be returned to Scottish Government** | **205** | **195** |

**2. Grant-in-Aid Budgets and Expenditure**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  **Department** | **Original****Annual Budget** | **Revised Q1 Budget** | **Revised Q2 Budget** | **Revised Q3 Budget** | **Actual** **YTD** | **Budget****YTD** | **Variance****YTD** | **Variance****YTD** |
|  | **£k** | **£k** | **£k** | **£k** | **£k** | **£k** | **£k** | **%** |
| Staff Costs | **1,369** | **1,315** | **1,310** | **1,270** | 1,063 | 1,068 | 5 | 0.5 |
| Run Costs | **80** | **45** | **28** | **30** | 15 | 17 | 2 | 11.8 |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Strat Dev** | **1,449** | **1,360** | **1,338** | **1,300** | **1,078** | **1,085** | **7** | **0.6** |
| Staff Costs | **4,252** | **4,133** | **4,102** | **4,078** | 3,386 | 3,386 | - | - |
| 1Run Costs | **1,377** | **1,260** | **1,284** | **1,689** | 1,182 | 1,332 | 150 | 11.3 |
| Capital Costs | **100** | **176** | **263** | **263** | 228 | 263 | 35 | 13.3 |
| **Total Corp Serv**  | **5,729** | **5,569** | **5,649** | **6,030** | **4,796** | **4,981** | **185** | **3.7** |
| Staff Costs | **3,704** | **3,546** | **3,477** | **3,442** | 2,874 | 2,874 | - | - |
| Run Costs | **109** | **101** | **53** | **32** | 17 | 21 | 4 | 19.0 |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Operations** | **3,813** | **3,647** | **3,530** | **3,474** | **2,891** | **2,895** | **4** | **0.1** |
| Staff Costs | **278** | **276** | **276** | **276** | 230 | 230 | - | - |
| Run Costs | **10** | **10** | **29** | **54** | 66 | 66 | - | - |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Legal Serv** | **288** | **286** | **305** | **330** | **296** | **296** | **-** | **-** |
| 2Staff Costs | **(92)** | **23** | **-** | **-** | - | - | - | - |
| Run Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Vacancies** | **(92)** | **23** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Staff** | **9,510** | **9,292** | **9,165** | **9,066** | 7,553 | 7,558 | 5 | 0.1 |
| **Total Run**  | **1,577** | **1,417** | **1,395** | **1,806** | 1,280 | 1,436 | 156 | 10.9 |
| **Total Cap** | **100** | **176** | **263** | **263** | 228 | 263 | 35 | 13.3 |
| **TOTAL EXCL PENSIONS** | **11,187** | **10,885** | **10,823** | **11,135** | **9,061** | **9,257** | **196** | **2.1** |
|  Pension Costs | **1,500** | **1,500** | **2,000** | **2,000** | 1,608 | 1,608 | - | - |
| **TOTAL ADMIN**  | **12,687** | **12,385** | **12,823** | **13,135** | **10,668** | **10,865** | **197** | **1.8** |

1 Corporate Services annual running costs budgets are net of £-545k Thistle House sub-let income.

2 Staff costs in this area are: £58k of vacancies and £-150k vacancy gap allowance.

Total cash spend to the end of January 2021 is £10,668k against a budget of £10,865k, an underspend of £197k (1.8%).

**3. Variances to budget**

Although there is a small variance due to vacancies, staff costs are pretty much in line with budget (0.1% underspent). Running costs are currently underspent but this is largely timing. IS and Finance are working hard to ensure all bills are received before year end. The Capital underspend is also due to timing, the outstanding 15.8” laptops are due to arrive before the end of March.

**4. Pensions**

Whilst pensions spend is currently on track, we know there will be an underspend by year end of up to £200k. This is caused by retirements we had forecast for March now occurring in early April.

**5. Full year position**

As at quarter 3 we are on track to slightly overspend against in year funding by £31k. IS and Finance are working to ensure all relevant bills arrive before year end.

**6. Invoice Turnaround Times**

The table below shows invoice payment performance to 31st January 2021. This is reported for both 10 and 30 days, the former being our operational target and the latter being our normal contractual payment term. Current performance is 93.7% of invoices paid in 10 days, which is in line with last year.

|  |
| --- |
| **For the Period to 31-01-2021** |
| **Group** | **YTD % paid within 10 days** | **YTD % paid within 30 days** |
| **2020-21** | **2019-20** | **2020-21** | **2019-20** |
| **Admin** | 93.9% | 94.4% | 96.6% | 98.1% |
| **CLAO** | 93.8% | 92.6% | 97.4% | 97.4% |
| **PDSO** | 93.4% | 94.1% | 97.5% | 98.2% |
| **Total** | 93.7% | 93.7% | 97.1% | 97.9% |

**Human resources**

**7. Sickness Absence**

The table below provides information relating to employee sickness absence for Quarters 1 to 3 (Apr to Dec 20):

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Actual 1 Apr to 31 Dec 20 Q1 to Q3** | **Last Year 1 Apr to 31 Dec 19 Q1 to Q3** |  |
|  | **Days lost per WTE** | **Percentage of WTE** | **Days lost per WTE** | **Variance in days lost per WTE** |
| Self-Certified Sickness | 1.2 | 0.6% | 2.3 | -1.1 |
| Certified Sickness and Phased | 2.2 | 1.1% | 5.5 | -3.3 |
| Total Sickness Absence | 3.3 | 1.8% | 7.8 | -4.5 |
| Covid Sickness | 0.2 | 0.1% | n/a | n/a |
| Overall Sickness Total  | 3.5 | 1.9% | n/a | n/a |

As reported last time to date SLAB has been fortunate to experience very low levels of Covid-19 related sickness absence. During Q1 and Q2, encompassing the initial lockdown, compared to last year SLAB experienced significantly lower levels of both self-certified and certified sickness. This has continued into Q3.

The table below provides information relating to employee sickness absence and Covid-19 related absence for the rolling 12 month periods since April 2019:

|  |  |  |
| --- | --- | --- |
|  | **Days lost per WTE** |   |
| **Rolling 12 months** | **Self Certified Sickness** | **Certified Sickness and Phased** | **Sickness Total** | **Covid Sickness Absence** | **Percentage total absence of WTE** |
| **1 Apr 19 to 31 Mar 20** | 2.8 | 7.3[[1]](#footnote-2) | 10 | 0.08 | 4% |
| **1 Jul 19 to 30 Jun 20** | 2.8 | 6.3 | 9.1 | 0.16 | 3.6% |
| **1 Oct 19 to 30 Sep 20** | 2.5 | 4.6 | 7.0 | 0.2 | 2.8% |
| **1 Jan 20 to 31 Dec 20** | 2.0 | 3.7 | 5.7 | 0.2 | 2.3% |

As a comparator, Scottish Government’s latest cumulative quarterly figures show the average working days lost due to sickness per staff year as 6.8 days (3%) for the rolling 12 month period up to 30 September 2020.

SLAB’s self-certified sickness target is 3.0 days per wte in a 12 month period and at 2 days per wte in the rolling 12 month period to 31 December, we are performing better than target. Overall the Sickness Total has fallen due to a reduction in both self-certified and certified absence.

The table below shows a breakdown of sickness absences (excluding Covid19 absence) based on their working day duration over the period April to December 2020.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Apr – Dec 20** | **5 days or less** | **6 to 20 days** | **21 to 40 days** | **41 days and over** | **Phased** | **Total** |
| Percentage of WTE | 0.6% | 0.4% | 0.4% | 0.2% | 0.2% | 1.8% |
| WTE sickness absence | 1.2 | 0.7 | 0.7 | 0.1 | 0.4 | 3.3 |

Analysis of data, in comparison with last year and identifying any particular trend in relation to absences, will be provided at the next half yearly update for the period April 2020 to March 2021.

**8. Leavers**

The total number of leavers, including PDSO, CLAO, seasonal staff, or staff with contracts of less than 12 months, employed between 1 April 2020 and 31 January 2021 was 14 (3.9% of the average total number of staff)(Last Year 24– 6.9%).

Of the 14 leavers, 9 were retirements and 5 voluntary resignations. This gives an overall staff turnover figure of 3.9% voluntary and 0.0% non-voluntary compared to 6.6% and 0.3% respectively in last year’s figures up to 31 January 2020.

|  |  |
| --- | --- |
|  | **Governance Links**  |
| 1 | **Finance and Resources**No additional issues of note to report. |
| 2 | **Risk** Our work to monitor administrative expenditure enables us to mitigate corporate risk:Risk 8: Pressure on the administration budget and being unable to manage within the budget. |
| 3 | **Legal and Compliance**No issues of note to report. |
| 4 | **Performance**No issues of note to report. |
| 5 | **Equalities Impact**An Equality Impact Assessment is not required for this paper. |
| 6 | **Privacy Impact and Data Protection**No privacy or data protection issues identified. |
| 7 | **Communications and Engagement**It has previously been agreed that this paper should be published. |

|  |
| --- |
| **Conclusion and next steps** |
| The Board is asked to note and comment on the report as necessary.The January YTD spend is £0.2m under budget although this is largely timing of bills and we expect to spend our full budget by year end. Pensions costs above £327k are funded separately by SG and the pensions underspend noted above will reduce that element of our SG funding drawdown.  |
|  |

|  |
| --- |
| **Appendices/Further Reading** |
| N/A |

1. Previously reported as 7.0 and sickness total as 9.8 but have now captured all sickness absence post Covid-19 lockdown which was previously unavailable. [↑](#footnote-ref-2)