Report No: **SLAB/2021/14**

Agenda Item: 04

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| **Report to:** | The Board |
| **Meeting Date:** | 17 May 2021 |
| **Report Title** | SLAB Administration – Finance and Resource Report |
| **Report Category** | For Information |
| **Issue status:** | Business as usual |

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

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

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

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| **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. |

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| **Executive Summary** |
| Expenditure for the period ended 31st March 2021 is £12.9m |

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| **Previous Consideration** | |
| **Meeting** | **Detail** |
| 15th March 2021 -SLAB/2021/02 | The previous report showed expenditure and resources for the period ended 31st January 2021. |

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| **Report** |

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

The core funding we received from the Scottish Government was £11,650k. Core funding normally includes £100k of capital funding, this was increased to £250k for 2020-21 to accommodate homeworking equipment. Capital budget cannot be transferred to staff or running costs. Core cash funding (after removing £550k of funding for Depreciation) is £11,100k. We are also allowed to retain £250k of superannuation receipts and received 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 were also added for pension costs above the £327k threshold, bringing total in year funding to £12,914k. The opening bank balance is £767k which brings total available funding to £13,681.

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| **Funding** | **2019-20**  **Actual** | **2020-21**  **Actual** |
|  | **£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** | **1,4831** |
| **Total in year cash funding** | **12,740** | **12,914** |
| **Bank balance brought forward from previous year** | **450** | **767** |
| **Total available cash funding for the year** | **13,190** | **13,681** |

1 Total 2019-20 pension costs were £1,642k (shown as £1,315k + £327k). 2020-21 pensions’ costs were estimated as £1,810k (shown as £1,483k + £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. The final pensions estimate for 2020-21 was £1,810k so £1,483k was drawn down from SG.

We are required to transfer to the Scottish Government (or offset from our indent draw down) any pension receipts (contributions and transfers in) over £250k. Pension receipts and indent are set out in the following table.

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| **Funding** | **2020-21** |
|  | **£k** |
| Total indent drawn down from SG (adjusted for pension receipts over £250k) | 12,422 |
| Pensions receipts from contributions (as per final 20-21 estimate) | 492 |
| **Total Funding** | **12,914** |

**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** | 1,266 | 1,270 | 4 | 0.3 |
| Run Costs | **80** | **45** | **28** | **30** | 21 | 30 | 9 | 30.0 |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Strat Dev** | **1,449** | **1,360** | **1,338** | **1,300** | **1,287** | **1,300** | **13** | **1.0** |
| Staff Costs | **4,252** | **4,133** | **4,102** | **4,078** | 4,079 | 4,078 | (1) | - |
| 1Run Costs | **1,377** | **1,260** | **1,284** | **1,689** | 1,653 | 1,689 | 36 | 2.1 |
| Capital Costs | **100** | **176** | **263** | **263** | 291 | 263 | (28) | (10.6) |
| **Total Corp Serv** | **5,729** | **5,569** | **5,649** | **6,030** | **6,023** | **6,030** | **7** | **0.1** |
| Staff Costs | **3,704** | **3,546** | **3,477** | **3,442** | 3,449 | 3,442 | (7) | (0.2) |
| Run Costs | **109** | **101** | **53** | **32** | 19 | 32 | 13 | 40.6 |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Operations** | **3,813** | **3,647** | **3,530** | **3,474** | **3,468** | **3,474** | **6** | **0.2** |
| Staff Costs | **278** | **276** | **276** | **276** | 276 | 276 | - | - |
| Run Costs | **10** | **10** | **29** | **54** | 45 | 54 | 9 | 16.6 |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Legal Serv** | **288** | **286** | **305** | **330** | **321** | **330** | **9** | **2.7** |
| 2Staff Costs | **(92)** | **23** | **-** | **-** | - | - | - | - |
| Run Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| Capital Costs | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total Vacancies** | **(92)** | **23** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Staff** | **9,510** | **9,292** | **9,165** | **9,066** | 9,070 | 9,066 | (4) | - |
| **Total Run** | **1,577** | **1,417** | **1,395** | **1,806** | 1,738 | 1,806 | 68 | 3.8 |
| **Total Cap** | **100** | **176** | **263** | **263** | 291 | 263 | (28) | (10.6) |
| **TOTAL EXCL PEN** | **11,187** | **10,885** | **10,823** | **11,135** | **11,099** | **11,135** | **36** | **0.3** |
| Pension Costs | **1,500** | **1,500** | **2,000** | **2,000** | 1,812 | 2,000 | 188 | 9.4 |
| **TOTAL ADMIN** | **12,687** | **12,385** | **12,823** | **13,135** | **12,911** | **13,135** | **224** | **1.7** |

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 March 2021 is £12,911k against a budget of £13,135k, an underspend of £224k (1.7%).

**3. Variances to budget**

Staff costs are broadly in line with the quarter 3 budget estimate, the variance is less than 0.1%.

Running costs were slightly underspent (3.8%) but most of the predicted spends were actioned.

Capital appears to be overspent but we do not capitalise all spends in this area, only those which meet our capitalisation policy requirements. Work to calculate the final figures should be complete within the next few weeks. Any costs from this area which are not capitalised will be shown as running costs in the annual accounts.

As was reported to the March Board, the underspend in Pensions was expected due to retirements we had previously forecast for March now occurring in early April. Although (due to timing) the Q3 budget of £2m is still included in the table above, we did notify SG of a revised spend estimate (£1,810k) and reduced the value of cash indent we drew down accordingly.

**4. Year End Cash Position**

When prior year cash adjustments are taken into account, we ended the year spending slightly more in cash terms than we drew down and have accordingly reduced the carried bank balance by £65k from £767k to £702k.

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| **Funding** | **2020-21** |
|  | **£k** |
| 1st April 2020 Opening bank balance | 767 |
| Prior year items clearing after 1st April 2020 | (68) |
| Funding from SG | 12,914 |
| In year cash spend | (12,911) |
| **31st March 2021 Closing bank balance** | **702** |

**5. Invoice Turnaround Times**

Due to an unanticipated but unavoidable staff resourcing issue the Invoice Turnaround times for March haven’t been finalised. However, the year to date numbers reported last month are shown below and will be very close to the final outturn. We will endeavour to finalise the March numbers as soon as possible.

The table below shows invoice payment performance for both 10 and 30 days, the former being our operational target and the latter being our normal contractual payment term. Full year performance is estimated to be 94.0% of invoices paid in 10 days, which represents a reasonable balance between paying suppliers and how we use staff resources.

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| **For the Period to 28-02-2021** | | | | |
| **Group** | **YTD % paid within 10 days** | | **YTD % paid within 30 days** | |
| **2020-21** | **2019-20** | **2020-21** | **2019-20** |
| **Admin** | 94.3% | 94.7% | 96.9% | 98.3% |
| **CLAO** | 94.3% | 93.0% | 97.6% | 97.8% |
| **PDSO** | 93.5% | 94.0% | 97.7% | 98.5% |
| **Total** | 94.0% | 93.9% | 97.4% | 98.2% |

**Human resources**

**6. Sickness Absence**

The table below provides information relating to employee sickness absence for the year ended 31 March 2021:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Actual 1 Apr to 31 Mar 21 Q1 to Q4** | | **Last Year 1 Apr to 31 Mar 20 Q1 to Q4** | |  |
|  | **Days lost per WTE** | **Percentage of WTE** | **Days lost per WTE** | **Variance in days lost per WTE** |
| Self-Certified Sickness | 1.6 | 0.6% | 2.8[[1]](#footnote-2) | -1.1 |
| Certified Sickness and Phased | 3.8 | 1.5% | 7.3 | -3.2 |
| Total Sickness Absence | 5.4 | 2.2% | 10.1 | -4.7 |
| Covid Sickness | 0.1 | 0.1% | 0.02 | n/a |
| Overall Sickness Total | 5.6 | 2.2% | 10.1 | n/a |

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-19 Sickness Absence** | **Percentage total absence of WTE** |
| **1 Apr 19 to 31 Mar 20** | 2.8 | 7.3 | 10.1 | 0.02 | 4% |
| **1 Jul 19 to 30 Jun 20** | 2.8 | 6.3 | 9.1 | 0.2 | 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% |
| **1 Apr 20 to 31 Mar 21** | 1.6 | 3.8 | 5.4 | 0.1 | 2.2% |

Overall, total absence performance (excluding Covid-19) is 5.4 sickness days per wte – significantly lower than the 10.1 days per wte of last year. Self-Certified absence was well below our target of 3.0 days per wte and at 1.6 days has also reduced significantly from last year at 2.8 days. Certified absence at 3.8 days per wte has also reduced from last year (7.0 days) which was impacted by a smaller number of long-term illnesses over 40 days in length. The reduction in absence overall is most likely due to the impact of Covid-19 preventative measures and working from home - with less opportunity for commonly spread illnesses impacting on staff as well as some staff perhaps feeling more able to work from home as opposed to coming into the office, if feeling under the weather - “functional presenteeism”.

During the COVID-19 pandemic, our employees have been able to enter authorised paid leave for the following COVID-19 reasons to help support health and wellbeing; Dependant care, Self- isolation unable to work, Shielding unable to work, COVID-19 sickness, Unable to work from home / no work. This equals 5.4 days per WTE lost due to all of these Covid-19 reasons for the year, the majority due to being unable to work from home (81%) followed by dependent care (15%), with fortunately only 0.1 days due to Covid-19 sickness. As might be expected, the majority of paid leave on the basis of being unable to work from home has related to roles dependent on access to workplaces – such as mailroom and facilities and our service based in Glasgow Sheriff Court. Alternative duties and online training have been made available where possible, but inevitably as the duration of the work from home order extended, and given that we were not able to furlough staff, periods of paid leave for these staff increasingly became our only feasible option.

As external comparison there is the following:

* The closest data currently available online, Scottish Government’s, shows the latest cumulative quarterly figures for the rolling 12 month period up to 30 December 2020. 6.0 days (2.7%) average working days lost due to sickness (excluding Covid-19 sickness) per staff year. Expressed as a percentage for the same period, our 5.7 days per wte. would be **2.3%.**  SLAB’s absence levels, therefore, appear to be slightly less than those of Scottish Government’s absence levels.

We have been taking a proactive holistic approach to managing absence and supporting our employees’ health and well-being, particularly during the challenges of the COVID-19 pandemic. We have stepped up our efforts to increase awareness across our workforce particularly about: mental health, our employee assistance provision, having supportive wellbeing conversations, stress and work-life balance, but also financial and physical well-being. We have regular Wellbeing posts on a variety of topics as well as providing webinars, tailored by staff input, which also encourage staff to make more use of our employee assistance and occupational health support services.

**7. Leavers**

The total number of leavers, employed between 1 April 2020 and 31 March 2021 was 17 (4.9% of the average total number of staff), down from last year’s figure of 33 (9.5% of average no of staff).

All but one leaver left voluntarily and overall staff turnover figure of 4.6% voluntary and 0.3% non-voluntary compared to 9.2% and 0.3% respectively in last year’s figures up to 31 March 2020.

Of the voluntary leavers, 50% were retirements (LY – 34%) in line with our staff profile.

Working through the Covid-19 pandemic will likely have contributed towards the decline in the number of leavers this year, as individuals take comfort in the job security offered by SLAB. The number of leavers also continues to be driven by high rates of retirements and this will likely continue to be the case for a number of years, which is in line with our staff profile.

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|  | **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. |

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| **Conclusion and next steps** |
| The Board is asked to note and comment on the report as necessary.  Final year end spend is £0.2m below budget which is almost entirely pensions this was predicted previously and reported to the March Board. |
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| **Appendices/Further Reading** |
| N/A |

1. Previously reported as Self certified 2.7, Certified 7.0 and Sickness total 9.8 with zero Covid 19 sickness but have now captured all sickness absence post Covid-19 lockdown which was previously unavailable. [↑](#footnote-ref-2)