Report No: **SLAB/2022/28**

Agenda Item: **04**

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| **Report to:** | The Board |
| **Meeting Date:** | 15 August 2022 |
| **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:** | Linda Ross |
| **Presented by:** | Linda Ross |
| **Contact details:** | rossli@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 30th June 2022 is £3.5m which is broadly in line with budget profile of £3.6m (a 3.7% variance) |

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| **Previous Consideration** |
| **Meeting** | **Detail** |
| 27th June 2022 -SLAB/2022/21 | The previous report showed expenditure and resources for the period ended 31st May 2022.  |

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| **Report** |

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

A breakdown of the total available finding for the year is shown in the table below. A detailed explanation for the various entries – and in particular the changed arrangements relating to the budgeting of pension payments – was set out in the paper to the last meeting.

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| --- | --- | --- |
| **Funding** | **2021-22****Budget** | **2022-23****Budget** |
|  | **£k** | **£k** |
| Core SG Funding (Actual/draft SG budget) | **12,150** | **12,530** |
| Non cash funding for Depreciation | **(550)** | **(550)** |
| Retained superannuation receipts | **250** | **250** |
| Additional funding for Grant Funding/ SWRC  | **621** | **621** |
| Additional Capital awarded by SG | **30** | **-** |
| Pension costs above £327k (up to £1,020k)  | **1,4232** | **1,0202** |
| Pensions costs above £327k (exceeding the £1,020k) | **-** | **2532** |
| **Total in year funding** | **13,365** | **13,565** |
| **Bank balance brought forward from previous year** | **759** | **266** |
| **Total available funding for the year** | **14,124** | **13,831** |

1 Admin fees - £42k for GF and £20k from Justice for SWRC

2 Pension costs in 2021-22 (at final indent) were £1,750k (327+1,423=1,750) forecast for 2022-23 is currently £1,600k (327+1,020+253=1,600

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

|  **Department** | **Original Annual Budget** | **Qtr 1 Revised Budget** | **Actual** **YTD** | **Budget****YTD** | **Variance****YTD** | **Variance****%** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **£k** | **£k** | **£k** | **£k** | **£k** | **%** |
| Staff Costs | **631** | **612** | 121 | 158 | 37 | 23.4 |
| Run Costs | **8** | **8** | - | 1 | 1 | 100.0 |
| Capital Cost s | **-** | **-** | - | - | - | - |
| **Total Chief Exec** | **639** | **620** | **121** | **159** | **38** | **23.9** |
| Staff Costs | **906** | **912** | 227 | 218 | (9) | (4.1) |
| Run Costs | **137** | **67** | 7 | 8 | 1 | 12.5 |
| Capital Cost s | **-** | **-** | - | - | - | - |
| **Total Strat Dev** | **1,043** | **979** | **234** | **226** | **(8)** | **(3.5)** |
| Staff Costs | **4,900** | **4,833** | 1,134 | 1,207 | 73 | 6.0 |
| 1Run Costs | **1,444** | **1,3491** | 329 | 349 | 20 | 5.7 |
| Capital Cost s | **100** | **100** | 58 | 71 | 13 | 18.3 |
| **Total Corp Serv**  | **6,444** | **6,282** | **1,521** | **1,627** | **106** | **6.5** |
| Staff Costs | **3,730** | **3,657** | 884 | 938 | 54 | 5.8 |
| Run Costs | **55** | **57** | 9 | 11 | 2 | 18.2 |
| Capital Cost | **-** | **-** | - | - | - | - |
| **Total Operations** | **3,785** | **3,714** | **893** | **949** | **56** | **5.9** |
| Staff Costs | **226** | **226** | 56 | 56 | - | - |
| 2Run Costs | **40** | **402** | 40 | (6) | (46) | (115.0) |
| Capital Cost s | **-** | **-** | - | - | - | - |
| **Total Legal Serv** | **266** | **266** | **96** | **50** | **(46)** | **(92.0)** |
| Vacancy Gap | **(200)** | **(47)** | - | - | - | - |
| **Total Vacancies** | **(200)** | **(47)** | **-** | **-** | **-** | **-** |
| **Total Staff** | **10,193** | **10,193** | 2,422 | 2,577 | 155 | 6.0 |
| **Total Run**  | **1,684** | **1,521** | 385 | 363 | (22) | (6.1) |
| **Total Cap** | **100** | **100** | 58 | 71 | 13 | 18.3 |
| **Total Excl Pension** | **11,977** | **11,814** | **2,865** | **3,011** | **146** | **4.8** |
| Pensions | **1,600** | **1,900** | 614 | 600 | (14) | 2.3 |
| **Total Admin**  | **13,577** | **13,714** | **3,479** | **3,611** | **132** | **3.7** |

1. Contains £617k of income from sub-let. Total running costs are £1,966k
2. Contains £20k income for final bill of secondment (ending Feb-22 billed Jun-22). Total running budget is £60k

Total spend to the end of June 2022 is £3,479k against budget of £3,611k, an underspend of £132k (3.7%).

Column 3 of the table above shows adjusted annual budgets after the quarter 1 budget review process. These changes are not actioned until July, therefore, the June year to date budgets (in column 5) do not incorporate these changes.

1. **Variances to budget**

Staff costs are underspent by £155k due to vacancies accruing in the first quarter, 2 of which were director vacancies. All vacancy savings were addressed at the quarter 1 budget review.

Running costs in June showed as overspent however this was down to timing of bills arriving for Legal Services costs. There is sufficient budget available though and the timing issue was addressed as part of the quarter 1 budget review works.

Capital spend is slightly behind profile however this will level off in the coming months.

As reported previously, pension spend is high due to several (long serving) members of pension scheme one retiring who also chose to commute their lump sums. At the quarter 1 budget review pensions have been increased by £300k.

**4. Invoice Turnaround Times**

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.

Total year to date performance for 10 days in 2022-23 is 95%. Performance is far better than in the same period in 2021-22 as the department had suffered from significant absence in the first quarter of 2021-22.

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| **For the Period to 30-06-2022** |
| **Group** | **YTD % paid within 10 days** | **YTD % paid within 30 days** |
| **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| **Admin** | 95% | 85% | 98% | 98% |
| **CLAO** | 94% | 87% | 98% | 98% |
| **PDSO** | 95% | 90% | 98% | 97% |
| **Total** | **95%** | **88%** | **98%** | **97%** |

**Human resources**

**5. Sickness Absence**

The table below provides information relating to employee sickness absence for the quarter ended 30th June 2022:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **This Year** **Apr-22 to Jun-22** | **Last Year** **Apr-21 to Jun-21** |  |  |
|  | **Days lost per WTE** | **Percentage of WTE** | **Days lost per WTE** | **Percentage of WTE** | **Variance in days lost per WTE** |
| Self-Certified Sickness | 0.7 | 1.1% | 0.5 | 0.8% | 0.2 |
| Certified Sickness and Phased | 1.8 | 3.0% | 1.4 | 2.3% | 0.4 |
| **Total Sickness Absence** | **2.5** | **4.1%** | **1.9** | **3.1%** | **0.6** |
| Covid Sickness\* | 0.2 | 0.3% | 0.1 | 0.1% | 0.1 |
| **Overall Sickness Total**  | **2.7** | **4.4%** | **2.0** | **3.2%** | **0.7** |

\*Covid sickness is no longer recorded separately from 1 May 2022

To date SLAB has been fortunate to experience very low levels of Covid-19 related sickness absence, although this increased latterly with the most recent variants.

During the initial lockdown period March-June 2020, SLAB experienced lower levels of both self-certified and certified sickness compared to the previous years. Both of which started to increase last year. Sickness absence continues to increase this year and appears to be returning to, even exceeding, pre-pandemic levels although this is impacted by the increase in Covid-type illness.

In terms of all Covid related absences (including Covid sickness above and other Covid related reasons such as Unable to work, Dependant Care, Self-Isolation) we have lost 0.2 days per WTE this quarter and since the start of the pandemic in March 20 have lost on average 0.3 days per WTE each month.

**Covid Related Absence**

The table below provides information relating to employee sickness absence and Covid-19 related absences for the rolling 12 month periods since July 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 Jul 19 to 30 Jun 20** | 2.8 | 6.3 | 9.1 | 0.2 | 3.6% |
| **1 Jul 20 to 30 Jun 21** | 1.9 | 4.5 | 6.3 | 0.1 | 2.6% |
| **1 Jul 21 to 30 Jun 22** | 2.4 | 5.6 | 8.0 | 1.1 | 3.6% |

**Target**

SLAB’s self-certified sickness target is 3.0 days lost per wte in a 12 month period and we remain below target. Overall, total absence performance appears to be returning to pre Covid pandemic levels.

As a comparator, Scottish Government’s latest cumulative quarterly figures show the average working days lost due to sickness per staff year as 7.3 days (3.2%) for the rolling 12 month period up to 31 March 2022. SLAB absence rate for the same period was 8.5 days (3.5%) including Covid –related absence.

**6. Leavers**

The total number of leavers, including Direct Services (PDSO, CLAO etc.) or staff with contracts of less than 12 months, employed between April and June 2022 was 13 (3.6% of the average total number of staff)(LY 7– 2.0%).

Nine leavers were from SLAB and four leavers were from PDSO. All left voluntarily, either as a voluntary resignation (6) or as retirements (7), i.e. an overall staff turnover figure of 3.6% voluntary and 0% non-voluntary compared to 2.0% and 0% respectively in last year’s figures.

Looking back pre-Covid, the leavers by June each year are:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Apr to Jun 2022** | **Total Leavers** | **% of ave no. of staff** | **Resignations** | **Retirements** |
| 2018 | 9 | 2.6 | 6 | 2 |
| 2019 | 7 | 2.0 | 3 | 4 |
| 2020 | 5 | 1.4 | 0 | 5 |
| 2021 | 7 | 2.0 | 3 | 4 |
| 2022 | 13 | 3.6 | 6 | 7 |

Although Covid is not over yet, we are experiencing increased levels of people wanting to retire early, perhaps as a consequence of the pandemic, and people feeling more secure and prepared to move jobs to further their careers or improve their life style.

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