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| **Report to:** | The Board |
| **Meeting Date:** | 12 December 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 |
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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 October 2022 is £8.1m which is marginally lower than budget profile of £8.3m (a 2.4% variance). The paper also contains staff absence and leaver stats for the 6 month period Apr-22 to Sep-22. |

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| **Previous Consideration** | |
| **Meeting** | **Detail** |
| 3 October 2022 -SLAB/2022/39 | The previous report showed expenditure and resources for the period ended 31 August 2022. |

# Report

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

A breakdown of the total available funding for the year is shown in the table below. A detailed explanation for the various entries, and in particular the arrangements relating to the budgeting of pension payments, was set out in the paper to the June 2022 meeting.

|  |  |  |
| --- | --- | --- |
| **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) | **-** | **8532** |
| **Total in year funding** | **13,365** | **14,165** |
| **Bank balance brought forward from previous year** | **759** | **266** |
| **Total available funding for the year** | **14,124** | **14,431** |

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 £2,200k (327+1,020+853=2,200)

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Department** | **Original Annual Budget** | **Qtr 1 Revised Budget** | **Qtr 2 Revised Budget** | **Actual**  **YTD** | **Budget**  **YTD** | **Variance**  **YTD** | **Variance**  **YTD** |
|  | **£k** | **£k** | **£k** | **£k** | **£k** | **£k** | **%** |
| Staff Costs | **631** | **612** | **571** | 270 | 261 | (9) | (3.4) |
| Run Costs | **8** | **8** | **8** | 1 | 5 | 4 | 80.0 |
| Capital Cost s | **-** | **-** | **-** | - | - | - | - |
| **Total Chief Exec** | **639** | **620** | **579** | **271** | **266** | **(5)** | **(1.9)** |
| Staff Costs | **906** | **912** | **912** | 536 | 551 | 15 | 2.7 |
| Run Costs | **137** | **67** | **67** | 12 | 10 | (2) | (20.0) |
| Capital Cost s | **-** | **-** | **-** | - | - | - | - |
| **Total Strat Dev** | **1,043** | **979** | **979** | **548** | **561** | **13** | **2.3** |
| Staff Costs | **4,900** | **4,833** | **4,868** | 2,607 | 2,615 | 8 | 0.3 |
| Run Costs | **1,444** | **1,349** | **1,3531** | 914 | 1,075 | 161 | 15.0 |
| Capital Cost s | **100** | **100** | **100** | 75 | 80 | 5 | 6.3 |
| **Total Corp Serv** | **6,444** | **6,282** | **6,321** | **3,596** | **3,770** | **174** | **4.6** |
| Staff Costs | **3,730** | **3,657** | **3,777** | 2,045 | 2,053 | 8 | 0.4 |
| Run Costs | **55** | **57** | **60** | 24 | 29 | 5 | 17.2 |
| Capital Cost | **-** | **-** | **-** | - | - | - | - |
| **Total Operations** | **3,785** | **3,714** | **3,837** | **2,069** | **2,082** | **13** | **0.6** |
| Staff Costs | **226** | **226** | **235** | 130 | 130 | - | - |
| 2Run Costs | **40** | **40** | **33** | 23 | 22 | (1) | (4.5) |
| Capital Cost s | **-** | **-** | **-** | - | - | - | - |
| **Total Legal Serv** | **266** | **266** | **268** | **153** | **152** | **(1)** | **(0.7)** |
| Vacancy Gap | **(200)** | **(47)** | **-** | - | - | - | - |
| **Total Vacancies** | **(200)** | **(47)** | **-** | **-** | **-** | **-** | **-** |
| **Total Staff** | **10,193** | **10,193** | **10,363** | 5,588 | 5,610 | 22 | 0.4 |
| **Total Run** | **1,684** | **1,521** | **1,521** | 974 | 1,141 | 167 | 14.6 |
| **Total Cap** | **100** | **100** | **100** | 75 | 80 | 5 | 6.3 |
| **Total Excl Pension** | **11,977** | **11,814** | **11,984** | **6,637** | **6,831** | **194** | **2.8** |
| Pensions | **1,600** | **1,900** | **2,200** | 1,444 | 1,449 | 5 | 0.3 |
| **Total Admin** | **13,577** | **13,714** | **14,184** | **8,081** | **8,280** | **199** | **2.4** |

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 October 2022 is £8,081k against budget of £8,280k, an underspend of £199k (2.4%).

1. **Variances to budget**

Staff costs are broadly in line with budget with a small underspend due to timing of recruitment, 0.4%.

The 2022-23 pay remit has now been approved by SG and SLAB’s union members and we intend to make payment in December 2022 (backdated to 1 April). At the quarter 2 budget review we had anticipated a quarter 3 payment and allocated budget to November 2022 for the first, backdated, payment. Our forecast was one month out (so we’ll see underspend in November) but this will be timing only and will be balanced out by the actual payment being made in December.

Running costs are currently showing an underspend due to the timing of some IS computer maintenance bills which had been forecast for October but are now likely to arrive in November/December.

Capital spend is slightly under budget. We have around £20k of unallocated capital budget for the year, Facilities are compiling a list of items in line with recent DANWE requirements and this will be presented to the Executive Team for decision shortly.

Pension spend is currently in line with expectations.

**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 93%.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **For the Period to 31-10-2022** | | | | |
| **Group** | **YTD % paid within 10 days** | | **YTD % paid within 30 days** | |
| **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| **Admin** | 91% | 90% | 97% | 98% |
| **CLAO** | 94% | 90% | 98% | 97% |
| **PDSO** | 94% | 93% | 98% | 98% |
| **Total** | 93% | 92% | 98% | 98% |

1. **Sickness Absence**

The table below provides information relating to employee sickness absence for the 6 month period ended 30 September 2022:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **This Year**  **Apr-22 to Sep-22** | | **Last Year**  **Apr-21 to Sep-21** | |  |  |
|  | **Days lost per WTE** | **Percentage of WTE** | **Days lost per WTE** | **Percentage of WTE** | **Variance in days lost per WTE** |
| Self-Certified Sickness | 1.4 | 1.1% | 1.0 | 0.8% | 0.4 |
| Certified Sickness and Phased | 3.9 | 3.1% | 3.0 | 2.4% | 0.9 |
| **Total Sickness Absence** | **5.3** | **4.2%** | **4.0** | **3.2%** | **1.3** |
| Covid Sickness\* | 0.2 | 0.1% | 0.3 | 0.2% | -0.1 |
| **Overall Sickness Total** | **5.5** | **4.3%** | **4.3** | **3.4%** | **1.2** |

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

Sickness absence levels continue to increase, in particular long term absences and phased return.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Days lost per WTE** | | | |  |
| **Rolling 12 months** | **Self-Certified Sickness** | **Certified Sickness and Phased** | **Sickness Total** | **Covid-19 Sickness Authorised**  **Paid Leave** | **Percentage total absence of WTE** |
| **1 Oct 19 to 30 Sep 20** | 2.5 | 4.6 | 7.0 | 0.2 | 2.8% |
| **1 Oct 20 to 30 Sep 21** | 2.0 | 5.7 | 7.6 | 0.3 | 3.2% |
| **1 Jul 21 to 30 Jun 22** | 2.4 | 5.6 | 8.0 | 1.1 | 3.6% |
| **1 Oct 21 to 30 Sep 22** | 2.7 | 6.2 | 8.8 | 0.9 | 3.9% |

**Target**

SLAB’s self-certified sickness target is 3.0 days lost per WTE in a 12 month period and we remain below target.

As a comparator, Scottish Government’s latest cumulative quarterly figures show the average working days lost due to sickness per staff year as 7.8 days (3.5%) for the rolling 12 month period up to 30 June 2022. SLAB absence rate for the same period was eight days (3.6%) including Covid-19 sickness–related absence.

In comparison with last year for the period April to September, there are increases in the number of self-certified and certified sickness days across each category.

Mental health related absences account for over 46% of all absence. The certified mental health related absences are primarily related to either bereavement or long term mental health conditions. Absence due to long Covid-19 accounts for 5% of all absence. With the support of HR and occupational health input, we currently have a number of supported/phased returns in place and other staff being supported to remain at work.

**6. Leavers**

The total number of leavers, including Client Legal Services (PDSO, CLAO and SCL), for staff with contracts of less than 12 months, employed between 1 April and 30 September 2022 was 23 (6.4% of the average total number of staff, LY 12 – 3.3% until 30 November 2021).

15 leavers were from SLAB, four leavers were from PDSO and four leavers were from CLAO. All left voluntarily, either as a voluntary resignation (14) or as retirements (9). An overall staff turnover figure of 6.4% voluntary and 0% non-voluntary.

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

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| **Conclusion and next steps** |
| The Board is asked to note and comment on the report as necessary. |