

# Finance and Public Administration Committee

2<sup>nd</sup> Meeting, 2024 (Session 6), Tuesday 16  
January 2024

## SPCB budget bid 2024-25

### Purpose

1. The Committee is invited to take evidence on the Scottish Parliamentary Corporate Body (SPCB) budget submission for 2024-25 from—
  - Jackson Carlaw, Member, Scottish Parliamentary Corporate Body,
  - David McGill, Clerk/Chief Executive, Scottish Parliament, and
  - Sara Glass, Group Head of Financial Governance, Scottish Parliament.
2. The SPCB budget submission, which is attached as an Annexe, consists of a letter from Jackson Carlaw MSP on behalf of the SPCB, and six supporting schedules detailing aspects of the SPCB budget as follows—
  - Schedule 1: Total Budget Requirement and Indicative Forecast for 2025-26,
  - Schedule 2: Net Revenue and Capital Budget,
  - Schedule 3: Finance Committee Briefing January 2024 - SPCB Net Revenue and Capital Budget,
  - Schedule 4a: Officeholders Budget Bid 2024-25,
  - Schedule 4b: Analysis of Officeholders 2024-25 Budget Bids,
  - Schedule 5: SPCB Statement of Financial Position, and
  - Schedule 6: Parliament Shop Trading Accounts.

### Background

3. [The Scotland Act 1998](#) provided for the creation of the Scottish Parliament and the establishment of the SPCB to oversee its administration. Section 21 places a duty on the SPCB to make arrangements for the Parliament to be provided with the property, staff and services which are required for its purposes. It also provides for any such expenses incurred by the SPCB to be payable from the Scottish Consolidated Fund (SCF).
4. The SCF is the funding pot from which all Scottish Government expenditure stems and comprises an annual block grant from the UK Parliament's

Consolidated Fund along with the Scottish Government's operational receipts, for example, revenues from the fully devolved taxes.

5. This means that the expenditure plans of any body which has a prior call on the Scottish Consolidated Fund (namely the SPCB and Audit Scotland) will reduce the total amount available to Scottish Ministers to spend on Scottish Government priorities. The SPCB budget also provides for the costs of "supported bodies", namely commissioners and the Scottish Public Services Ombudsman (referred to as "officeholders").
6. To support parliamentary scrutiny of the SPCB's budget proposals, the SPCB will give evidence to the Committee on its budget bid on 16 January 2024. The Committee will then consider and report on the bid as part of its wider budget scrutiny, as set out in the [Session 6 Written Agreement](#) between the Committee and the SPCB.
7. The SPCB's final expenditure proposals appear in the annual Budget Bill which will be voted on by the Parliament.

## SPCB Budget Bid 2024-25

8. The SPCB's letter of 15 December 2023 highlights key elements of the SPCB's budget bid for 2023-24, and notes the key challenges faced in the bid of "inflationary pressures and establishing a budget which is fair and affordable and takes account of continued high inflation".

## Headline figures

9. The SPCB's bid proposes a total budget requirement for 2024-25, including capital charges and non-cash items, of £143.1m, an increase of £8.9m (6.7%) on the current year's budget of £134.2m. The total proposed budget excluding capital charges and non-cash items amounts to £126.5m, a net £8.9m (7.6%) increase on the current financial year's budget and £6m (5%) on the indicative 2024-25 budget advised by the SPCB in their bid to the Committee last year.
10. In its letter to the Committee, the SPCB states that although it was partially able to offset inflationary impacts in the 2023-24 Budget, with more than 70% of its cost base being staffing there are "no additional material efficiency opportunities available for the 2024-25 Budget".
11. The bid includes a projected income of £274,000 relating "principally to the Parliament shop". This is an increase of £4,000 (1.5%) against the 2023-24 Budget and is based on a normal year of opening to the public alongside the online shop offering.

12. Property costs are expected to rise to £9.8m, a net increase of £1.123m (12.9%) on the 2023-24 Budget. This includes a projected increase of £411,000 (28.1%) in utility costs for 2024-25, as well as increases in rates (8.4%), maintenance costs (6.6%) and cleaning (23.7%).
13. Overall running costs are also expected to rise to £7.984m, £685,000 (9.4%) higher than the 2023-24 budget, and £466,000 higher than the 2024-25 indicative budget. Schedule 3 notes that cost increases mainly arise from increases in costs of IT software and licenses (£388,000) and an increase of £160,000, which reflects costs of Corporate Events due to planned celebrations for the 25th anniversary of the Parliament.
14. The SPCB's contingency figure for 2023-24 saw an increase of £0.5m to £1.5m based on "prevailing inflationary pressures and the associated risk and uncertainty to major spend categories". Its 2024-25 bid sees a decrease of £0.5m to £1m for contingency, which is described as "a prudent contingency for emergencies" and is to cover—
  - potential operational cost pressures, which are not yet confirmed or certain, and
  - Inflationary pressures on contracts.
15. In terms of potential future budget impact, the SPCB's letter states that "for future budgets impacts, we are about to consider whether we need to adapt any services/contracts at Holyrood in light of changes to footfall and usage post-pandemic to ensure we are operating efficiently, and this will be brought forward for a high-level discussion with the SPCB in 2024".

## Staff pay

16. The bid includes a £2.9m (7.7%) increase in the staff pay budget compared to the current financial year and a £1.7m (4.5%) increase compared to the indicative forecast for 2024-25.
17. Schedule 3 explains that the SPS pay scales were evaluated and benchmarked across the public sector and open market in 2023-24 following an increase in staff turnover and recruitment challenges. It is noted that the revised pay scales reflect fairness across the grades and cost of living challenges for lower paid staff.
18. Staff pay, including use of contractors, is budgeted at £40.2m, with the main driver of the increase being inflation. Schedule 3 indicates that the SPCB has made provision for a cost of living pay award for the next financial year, while noting that the pay award is subject to negotiation with recognised trade union

partners. The above figure includes £126,000 investment in the modern apprentices' programme and a vacancy factor<sup>1</sup> worth £2.805m (5% of salaries).

19. In addition to staff pay, other staff related costs are budgeted at £860,000, an increase of £42,000 (5.2%) from the 2023-24 budget. Schedule 3 notes that Travel and Expenses budgets have increased from 2023-24 reflecting a return to pre-Covid travel patterns to other international parliamentary bodies. Job Related Staff Training and Corporate Training have been capped at 2023-24 levels, and the provision for Childcare vouchers has reduced by £15,000 in line with the reduction in uptake of the scheme.

## MSP pay and staff cost provision

20. MSP salaries are recommended to increase in line with the Average Weekly Earnings (AWE) index of 6.7%. This represents a change in index selection for 2024-25, moving away from the Annual Survey of Hours and Earnings (ASHE) index. Schedule 3 notes that the ASHE index, which was published on 1 November 2023 is, at 5.6%, below the other wage inflation indicators for the second consecutive year. As such, the SPCB has recommended the adoption of AWE as the index for uprating of MSP salaries for the Budget year 2024-25.
21. In terms of Staff Cost Provision, the SPCB opted in 2023-24 to depart from the approach agreed in 2020 of using a combination of Average Weekly Earnings (AWE) and the ASHE index. Schedule 3 states that the SPCB has expressed a preference to continue with AWE for one further year and avoid the greater volatility reflected by the ASHE index during this continued period of inflationary uncertainty. This results in an increase for 2024-25 of 6.7% and a rate of £156,900 per Member.
22. The SPCB's 2023-24 Budget bid assumed a Staff Cost Provision uptake rate of 93% following a review of recent trends, representing a departure from the previously assumed uptake rate of 95%. Schedule 3 notes that the assumed uptake rate of 93% has been retained for the 2024-25 Budget bid.

## Commissioners and Ombudsman

23. Schedules 4(a) and 4(b) provide an analysis of the officeholders' budget bids, together with further supporting information on their individual submissions. Officeholders' bids amount to a total of £18.3m, £1.7m (10%) higher than the 2023-24 Budget and £1.2m (7.3%) higher than the indicative forecast.
24. The SPCB's letter notes that the main changes in these budgets reflect changes in the Electoral Commission (EC) and the Scottish Public Services Ombudsmen (SPSO).

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<sup>1</sup> Schedule 3 explains that an assumed level of vacancies - 'vacancy factor' is budgeted for as "we know from experience that staff turnover reduces the net cost of incremental pay progression".

25. Schedule 4(a) shows an increase of £232,000 (12%) for the EC Budget, from £1.9m to £2.2m and an increase of £679,000 (10.2%) for the SPSO Budget, from £6.2m to £6.8m.
26. The Committee has previously expressed concerns regarding the growth in SPCB supported officeholders since devolution and their associated costs. It has recently an inquiry into [Scotland's Commissioner Landscape: A Strategic Approach](#)., which is expected to report before summer 2024.

## Major projects

27. Schedule 3 includes an analysis of planned project expenditure, including both planned replacement of existing infrastructure and investment to services and facilities.
28. The SPCB's letter indicates that the £5.3m total project expenditure budget for 2024-25 is a marginal inflationary increase on the 2023-24 budget and is below the indicative 2024-25 budget. The letter states that the reason for this below inflation increase is due to the reallocation of funds from projects into running costs of £160,000 for 25<sup>th</sup> anniversary events.
29. Projects to be funded in 2024-25 include:
  - IT operational projects (£944,000),
  - digital business projects (£1.156m),
  - facilities management projects worth £1.206m (mechanical and electrical systems maintenance - £310,000, building fabric maintenance - £566,000, office space planning and moves - £200,000, planned replacement of items of equipment across the estate £130,000),
  - Net Zero Ready projects worth £1.511m,
  - broadcasting projects (£60,000), and
  - other projects, including fixed term staffing appointments to support ongoing work in Allowances, Security and the Lobbying Register and embedding Sustainable Development thinking and support to members/committees on Net Zero Scrutiny (£415,000).
30. As previously requested by the Committee, Schedule 3 includes a further table detailing major multiyear projects (including forecast overall costs), which include-
  - The Building and Environment Management System programme, which began in 2022-23 and will run for 4 years at a forecast total cost of £3.604m (£1.416m in 2024-25);
  - Corporate systems programme, which began in 2023-24 and will run for 3 years at a forecast total cost of £1.7m (£743,000 in 2024-25);

- Official Report system replacement, which began in 2023-24 and will run for 3 years at a forecast total cost of £403,000 (£190,000 in 2024-25);
- Changes to Business Bulletin, which began in 2023-24 and will run for 3 years at a forecast total cost of £306,000 (£223,000 in 2024-25); and
- Windows 10 replacement, which began in 2023-24 and will run for 3 years at a forecast total cost of £396,000 (£281,000 in 2024-25).

## Indicative forecast for 2025-26

31. Schedule 2 provides an analysis of the SPCB's indicative forecast for 2025-26. The SPCB's letter, however, highlights that the forecast is "heavily caveated with continued uncertainties in the economy and around potential additional new Commissioners with associated costs".
32. The letter also notes that the SPCB has altered its approach for the 2025-26 indicative forecast, moving away from applying the standard rate of inflation for the entire cost base plus any known anticipated cyclical additional requirements, and instead opting to apply a "blended inflationary rate" which reflects forecasts for wage inflation as well as price inflation plus any known significant requirements.
33. The indicative forecast shows an expected revenue expenditure of £131.925m, compared to £124.972m in 2024-25, while capital expenditure is forecast at £1.5m, compared to £1.55m in 2024-25. The SPCB's current expectation is that revenue and capital expenditure in 2025-26 will total £133.425m, compared to its 2024-25 bid of £126.521m.
34. The SPCB's letter states that the known additional requirements for 2025-26 are anticipated additional costs of £0.6m for Election project costs and an additional £0.65m in Officeholder costs for the Patient Safety Commissioner. The letter notes that further Officeholder costs may arise in future years if legislation is passed for a Victim's Commissioner, a Sustainable and Wellbeing Commissioner, a Disability Commissioner and an Older Person's Commissioner, as currently proposed. The indicative costs provided do not include costs for these Officeholders or costs relating to the extension of an existing Officeholder's remit.

## Next steps

35. The Committee's consideration of the SPCB's budget bid will be reflected in its report on the Scottish Budget 2024-25, which is expected to be published in late January.

Committee Clerking Team  
January 2024



The Scottish Parliament  
Pàrlamaid na h-Alba

**The Presiding Officer**

Kenneth Gibson MSP  
Convenor  
Finance & Public Administration Committee  
T3.60

15 December 2023

Dear Kenneth

### **SPCB BUDGET SUBMISSION FOR 2024-25**

This budget bid is the third of our medium-term financial plan for session 6 and is aligned with the commitments made in the 2022-23 submission which focussed on setting up SPS for the challenges of session 6. As with the 2023-24 bid, the key challenges we face in the 2024-25 bid centre around inflationary pressures and establishing a budget which is fair and affordable and takes account of continued high inflation.

A total proposed budget for 2024-25, excluding capital charges and non-cash items, of £126.5m represents a net £8.9m (7.6%) increase on the current financial year's budget and £6m (5%) on the heavily caveated due to inflationary volatility 2024-25 indicative budget advised to the Finance and Public Administration Committee last year. In the 2023-24 Budget we were able to partially offset the inflationary impacts with a 4.5% increase at a time of 11% inflation, however with more than 70% of our cost base being staffing (SPS, MSPs, MSP Staff and Officeholder), which you will recall has been subject to recent reviews, there are no additional material efficiency opportunities available for the 2024-25 Budget. Staff Cost Provision (MSP Staff allowance) was reviewed at the end of Session 5 as part of the sessional review of the Members Expenses and SPS Staffing was subject to a strategic review in 2022-23 following a commitment made in February 2021 by the SPCB to the Convenor of the Finance & Constitution Committee that a review of staffing resources to inform a more robust and sustainable staffing baseline for 2022-23 onwards would be undertaken; alongside several Session 5 legacy reports and correspondence from the Finance & Constitution Committee, Standards, Procedures and Public Appointments Committee (SPPA) and Environment, Climate Change and Land Reform Committee (ECCLR) requesting SPCB to consider scrutiny requirements for Session 6. For potential future budget impact we are about to consider whether we need to adapt any services/contracts at Holyrood in light of

changes to footfall and usage post pandemic to ensure we are operating efficiently, and this will be brought forward for a high-level discussion with SPCB in 2024.

### **Headline figures**

The SPCB has identified a total budget requirement, including capital charges and non-cash items, of £143.1m for 2024-25 as shown on the attached schedule 1, compared to the current year budget of £134.2m, an uplift of £8.9m (+6.7%). Schedule 1 also sets out indicative estimates for the 2025-26 financial year.

I attach an analysis of our budget (schedule 2) together with a briefing paper (schedule 3) and further schedules to assist the Finance and Public Administration Committee in its scrutiny of our 2024-25 budget submission.

### **Approach to setting the budget**

Our staff pay budget shows a £2.9m (7.7%) increase compared to the current year's approved budget and a £1.7m (4.5%) increase compared to the indicative forecast for 2024-25. The main driver of the increase to staff pay is inflation, where for budgetary purposes we have made provision for a cost of living pay award for the next financial year. Discussions with the TUS will take place in due course, once the SPCB has agreed a negotiating remit. The budget bid also includes an additional cost resulting from a change to the employer's pension contribution rate arising from the 2020 review of the Civil Service Pension Scheme.

Members' pay is increasing in line with the Average Weekly Earnings (AWE) index of 6.7%. This is a change in index selection for 2024-25 moving away from ASHE Mean which has become misaligned with other wage inflation indices over the last few years and resulted in an uplift of 1.5% in 2023-24. This would equate to a salary of £72,195.

In the current year's Budget, 2023-24, the SPCB chose Average Weekly Earnings (AWE) to uplift the Staff Cost Provision in a move away from the basket approach of indexing Staff Cost Provision annually using a mix of Average Weekly Earnings (AWE) and the ASHE index which had been adopted since Budget 2021-22. General inflation was 11%, the "basket" was 4.1% and AWE was 5.6% at that time.

In selecting the 2024-25 uprating index, the SPCB has expressed a preference to continue with AWE for one further year and avoid the greater volatility reflected by the ASHE index during this continued period of inflationary uncertainty. AWE at publication in November is 6.7%. This would mean a rate of £156,900 per Member. The budget submission includes this assumption.



For budgeting purposes an assumed uptake of the Staff Cost Provision is applied to determine the overall budgeted cost of SCP. Historically this has been assumed at 95% however a review of recent trends shows that the average uptake rate between 2016-17 and 2021-22 (excluding election years) is 93%. This rate was applied for the 2023-24 Budget and has been retained for the 2024-25 Budget bid.

The total amount incorporated in the 2024-25 budget for revenue and capital projects is £5.3m, which is a marginal inflationary increase on the 2023-24 budget and below the indicative 2024-25 budget. The reason for the below inflation increase is due to the reallocation of funds from projects into running costs of £160k for 25th anniversary events.

The project expenditure budget funds both the planned replacement of existing infrastructure (e.g. IT, Broadcasting and security systems and equipment) and investment to make improvements to the Parliament's services and facilities (e.g. the development of better digital services and changes to make better use of the building). Schedule 3 provides further details of the planned expenditure for 2024-25 and includes the major projects in the plan.

### **Commissioners and Ombudsman**

The Officeholders' 2024-25 budget submissions total £18.3m which is £1.7m (10%) higher than the current year and £1.2m (7.3%) higher than the indicative. The main changes in these budgets from 2023-24 reflect changes in the Electoral Commission (EC) and the Scottish Public Services Ombudsmen (SPSO).

An analysis of the officeholders' budget bids is provided in schedules 4a and 4b.

### **Indicative Forecast for 2025-26**

Schedule 1 provides an indicative forecast for 2025-26.

This forecast for 2025-26 is heavily caveated with continued uncertainties in the economy and around potential additional new Commissioners with associated costs.

We have adopted a more sophisticated approach for the 2025-26 indicative. Moving from applying a standard rate of inflation for the entire cost base plus any known anticipated cyclical additional requirements; to applying a blended inflationary rate which reflects forecasts for wage inflation as well as price inflation plus any known significant additional requirements.

The known additional requirements for 2025-26 are anticipated additional costs of £0.6m for Election project costs and in Officeholders an additional £0.65m for the Patient Safety Commissioner.

In future years, further Officeholder costs may arise if legislation is passed for a Victim's Commissioner, a Sustainable and Wellbeing Commissioner, a Disability Commissioner and an Older Person's Commissioner. Costs for these Officeholders or the extension of an existing Officeholder's remit, have not been included in our indicative costs.

We will be happy to expand on any aspects of our budget submission when we appear before the Committee on 16 January.

Yours sincerely

**Jackson Carlaw MSP**

pp **Rt Hon Alison Johnstone MSP**  
Presiding Officer

**Total Budget Requirement**

	<b>Original Budget 2023-24 £'000</b>	<b>Budget Bid 2024-25 £'000</b>	<b>Indicative Forecast 2025-26 £'000</b>
<b>A) REVENUE</b>			
Net Revenue Expenditure ( Schedule 2)	116,098	124,971	131,925
<b>B) CAPITAL</b>			
Capital Expenditure ( Schedule 2)	1,500	1,550	1,500
<b>C) TOTAL EXPENDITURE EXCLUDING CAPITAL CHARGES AND NON CASH ITEMS (A+B)</b>			
Net Revenue and Capital Expenditure	117,598	126,521	133,425
<b>D) CAPITAL CHARGES AND NON CASH ITEMS</b>			
Total Capital Charges and non cash items (Schedule 3)	16,581	16,584	16,129
<b>E) TOTAL EXPENDITURE INCLUDING CAPITAL CHARGES AND NON CASH ITEMS (C+D)</b>			
Total Net Expenditure	134,179	143,105	149,554

<b><u>Net Revenue and Capital Budget</u></b>	<b>Budget 2023-24 £'000</b>	<b>Budget Bid 2024-25 £'000</b>	<b>Indicative Forecast 2025-26 £'000</b>
<b>Revenue Expenditure</b>			
<b>Recurring Annual Costs</b>			
Staff Pay	37,325	40,192	42,000
Staff Related and General Costs	818	860	897
Property Costs	8,679	9,802	10,224
Running Costs	7,299	7,984	8,327
	<u>54,121</u>	<u>58,838</u>	<u>61,448</u>
<b>Projects and One-Off Costs</b>			
Revenue Projects	<u>3,692</u>	<u>3,742</u>	<u>4,786</u>
<b>Total Parliamentary Service Costs</b>	<b><u>57,813</u></b>	<b><u>62,580</u></b>	<b><u>66,234</u></b>
<b>MSPs' and Officeholders' Costs</b>			
MSP Pay	13,499	14,632	15,290
MSP Office, Staff and Accom. Costs etc.	26,918	28,737	29,976
Commissioners & Ombudsman Costs	16,638	18,296	19,711
	<u>57,055</u>	<u>61,665</u>	<u>64,977</u>
<b>Total MSPs' &amp; Officeholders' Costs</b>	<b><u>57,055</u></b>	<b><u>61,665</u></b>	<b><u>64,977</u></b>
<b>General Contingency</b>	1,500	1,000	1,000
<b>Total Revenue Expenditure</b>	<u>116,368</u>	<u>125,245</u>	<u>132,211</u>
<b>Less:- Income</b>	(270)	(274)	(286)
<b>Total Net Revenue Expenditure</b>	<b><u>116,098</u></b>	<b><u>124,971</u></b>	<b><u>131,925</u></b>
<b>Capital Expenditure</b>			
Capital Expenditure	1,500	1,550	1,500
<b>Total Capital Expenditure</b>	<b><u>1,500</u></b>	<b><u>1,550</u></b>	<b><u>1,500</u></b>
<b>Total Net Revenue and Capital Expenditure</b>	<b><u>117,598</u></b>	<b><u>126,521</u></b>	<b><u>133,425</u></b>

**Finance Committee Briefing January 2024 - SPCB Net Revenue and Capital Budget**

The net revenue and capital expenditure of the SPCB is forecast to increase from £117.6m in 2023-24 to £126.5m in 2024-25, an increase of £8.9m (7.6%) and £6.0m (5.0%) on the 2024-25 indicative budget included within the 2023-24 documentation.

The main elements of the 2024-25 budget compared to 2023-24 are:

<b>Staff Pay</b>	<b>Budget 2023-24 £'000</b>	<b>Budget Bid 2024-25 £'000</b>	<b>Increase</b>	
			<b>£'000</b>	<b>%</b>
Staff Pay	37,325	40,192	2,867	7.7%

Staff pay including use of contractors is budgeted at £40.2m, a net increase of £2.9m (7.7%) in cash terms from the 2023-24 budget and a £1.7m (4.5%) increase compared to the indicative for 2024-25.

The budget for contractors in 23-24 and 24-25 has remained at £4k.

In 2023-24, the SPS pay scales were evaluated and benchmarked across the public sector and open market following an increase in staff turnover and recruitment challenges. The revised pay scales reflect fairness across the grades and cost of living challenges for lower paid staff.

The main components of the £2.9m increase in staff pay are:

<b>Component</b>	<b>£'000</b>
Staff pay uplift	2,205
Increase in Employer pension rates	277

The main driver of the increase to staff pay is inflation, where for budgetary purposes we have made provision for a cost of living pay award for the next financial year. This is subject to negotiation with the TUS in due course, once the SPCB has agreed a negotiating remit. SPCB has a current one year pay deal for SPS ending 31/03/24.

The increase in staff costs includes inflation in addition to staff progression through pay scales.

In 2022-23, the staff baseline was increased by 33 FTE as part of the staffing baseline review. We remain committed to this baseline through Session 6.

Staff Pay reflects the recent review of the Civil Service Pension Scheme to increase Employer contributions to its members. The outcome of the review was only published in October 2023. This increases Employer contribution rate to 28.97% (an increase of 1-2% dependant on salary band).

The staff pay budget also reflects the continued investment in the modern apprentices' programme of £126k. While the modernisation of SPS pay has addressed some recruitment challenges, there are vacancies for which there are

either no suitable candidates or where we cannot compete with the external market. We will use this budget to invest in and develop less experienced candidates with potential – an option which has been previously successful.

We know from experience that staff turnover reduces the net cost of incremental pay progression. This is reflected in an assumed level of vacancies, which is applied to the staff pay budget as a credit. For the 2023-24 budget this was increased to 5% from 2.5%. The value of the vacancy gap is £2,805k.

Staff Related Costs	Budget 2023-24	Budget Bid 2024-25	Increase	
	£'000	£'000	£'000	%
	818	860	42	5.2%

Staff related costs are budgeted at £860k, an increase of £42k (5.2%) from the current year's budget.

Travel and Expenses budgets have increased from 2023-24 reflecting a return pre COVID travel patterns to other international parliamentary bodies. However virtual meetings, conferences and training have reduced the need to travel as much domestically - supporting our environmental strategy.

Job Related Staff Training and Corporate Training have been capped at 2023-24 levels. The avoidance of inflationary increases is considered possible due to the centralisation in management of all training spend and the expectation that this will drive improvements in both the effectiveness and efficiency of the spend. We will invest in staff training that delivers on strategic priorities and workforce planning objectives.

The Corporate Training element within this budget includes a provision for the delivery of a centralised training programme to Members' staff, as agreed as part of the review of Staff Cost Provision.

The provision for Childcare vouchers has reduced by £15k in line with the reduction in uptake in that scheme.

The staff related costs budget also includes provision for Committee travel and associated costs to support deliberative democracy.

Property Costs	Budget 2023-24	Budget Bid 2024-25	Increase	
	£'000	£'000	£'000	%
	8,679	9,802	1,123	12.9%

Property Costs comprise: -		£'000
Rates		4,036
Maintenance		2,894
Utilities		1,871
Cleaning		804
Other		196

Property Costs of £9.8m shows a net increase of £1,123k (12.9%) on the 2023-24 budget.

Rates, at £4.0m, accounts for 41% of total property costs and is projected to be £313k (8.4%) higher than the 2023-24 budget bid.

The District Valuer reassessed the rateable value of the Holyrood campus late in 2022-23. This resulted in an increase of £168k to the 2023-24 non-domestic rates.

The 2024-25 budget also includes an assumed rate in the £ of 2p for non-domestic rates. This converts to a £148k increase on the 23-24 budget. The rate in £ increase for 2024-25 will not be announced until late March 24.

Utility costs in 2024-25 are projected to rise by £411k (28.1%). Electricity comprises 71% of the utility budget which has increased from £934k in 23-24 to £1.33m in 2024-25 equivalent to 42%. The unit rate for electricity increased significantly in April 23. The 2023-24 budget is forecast to have a shortfall of between £266k and £352k. The 2024-25 electricity budget of £1.325m reflects our best estimate based on building usage and consumption rates alongside estimated price increases. 2023-24 electricity consumption is falling between 8% and 10% compared to 2022-23. While this has limited impact on the impact of unit price increases, we expect further measures (building closures, lighting replacement programme) to mitigate against future rising costs.

Maintenance costs are projected to increase by 6.6% from £2,716k in 2023-24 to £2,894k in 2024-25. The increase relates to an assumed contract increase of 6.7% (in line with prevailing inflation rates) at their annual renewal.

The cleaning budget will increase by £154k (23.7%) from £650k in 2023-24 to £804k in 2024-25. The contract price increase for the 2023-24 budget was omitted.

Running Costs	Budget 2023-24	Budget Bid 2024-25	Increase																							
	£'000	£'000	£'000	%																						
	7,299	7,984	685	9.4%																						
<p>Running Costs comprise: -</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">£k</th> </tr> </thead> <tbody> <tr> <td>• IT &amp; Telephony</td> <td style="text-align: right;">1,323</td> </tr> <tr> <td>• Software Support &amp; Licences</td> <td style="text-align: right;">2,602</td> </tr> <tr> <td>• Restaurant Services</td> <td style="text-align: right;">680</td> </tr> <tr> <td>• Printing &amp; Digital Publications</td> <td style="text-align: right;">434</td> </tr> <tr> <td>• Postage &amp; Stationery</td> <td style="text-align: right;">206</td> </tr> <tr> <td>• Research Services &amp; Materials</td> <td style="text-align: right;">589</td> </tr> <tr> <td>• Service Contracts</td> <td style="text-align: right;">706</td> </tr> <tr> <td>• Public Engagement</td> <td style="text-align: right;">567</td> </tr> <tr> <td>• Other</td> <td style="text-align: right;">877</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><b>7,984</b></td> </tr> </tbody> </table> <p>Running costs of £7.98m mainly consist of the SPCB’s outsourced contracts for the provision of goods and services and are an increase of £685k (9.4%) on the 2023-24 budget. Overall running costs are £466k higher than the 2024-25 indicative budget. Cost increases mainly arise from increases in costs of IT software and licenses (£388k) and an increase of £160k which reflects costs of Corporate Events due to planned celebrations of the 25<sup>th</sup> anniversary of the Parliament.</p>						£k	• IT & Telephony	1,323	• Software Support & Licences	2,602	• Restaurant Services	680	• Printing & Digital Publications	434	• Postage & Stationery	206	• Research Services & Materials	589	• Service Contracts	706	• Public Engagement	567	• Other	877		<b>7,984</b>
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Projects	Budget 2023-24	Budget Bid 2024-25	Increase													
	£'000	£'000	£'000	%												
Revenue	3,692	3,742	50	1.4%												
Capital	1,500	1,550	50	3.3%												
Total	5,192	5,292	100	1.9%												
<p>The total amount incorporated in the 2024-25 budget for revenue and capital projects is £5.3m, £100k (1.9%) higher than the current year budget.</p> <p>The project expenditure budget funds much of the developmental work outlined in our session 6 strategy. It includes the planned replacement of existing infrastructure (e.g. IT systems and building assets) and investment to make improvements to the Parliament’s services and facilities (e.g. better enabling our facilities for more flexible working, progress towards our net zero ambitions through the BEMS project, and improved and more efficient digital applications).</p> <p>Projects to be funded in 2024-25 budget:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Capital £000</th> <th>Revenue £000</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td><b>Grouped Programmes</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Business IT/Digital</td> <td>104</td> <td>1,996</td> <td><b>IT Operational Projects - £944k</b></td> </tr> </tbody> </table>						Capital £000	Revenue £000	Description	<b>Grouped Programmes</b>				Business IT/Digital	104	1,996	<b>IT Operational Projects - £944k</b>
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			Includes projects to update or replace technology infrastructure and equipment to support Members and staff and run the business of the Parliament, as well as the tools required to manage these assets effectively. This includes investment to improve our cyber security. Also includes Windows 10 replacement – <b>See details in major projects table</b>  <b>Digital Business projects £1,156k</b> Includes replacement of Business Bulletin and Official Report production systems as well as delivering replacement finance, payroll and HR systems. <b>See details in major projects table</b>
Facilities Management	30	1,176	<b>Facilities Total £1,206k</b>  Mechanical and Electrical systems maintenance - <b>£310k</b> Building fabric maintenance - <b>£566k</b> Office space planning and moves - <b>£200k</b> Planned replacement of items of equipment across the estate <b>£130k</b>
Net Zero Ready	1,416	95	See detail in major projects table
Broadcasting	0	60	Replacement of obsolete Broadcast equipment
Other	0	415	<ul style="list-style-type: none"> <li>Includes fixed term staffing appointments that supports ongoing work in Allowances, Security and the Lobbying Register.</li> <li>Embedding Sustainable Development thinking and support to members/committees on Net Zero Scrutiny</li> </ul>
<b>Total</b>	<b>1,550</b>	<b>3,742</b>	

Major Multi Year Projects	Programme	Start Year	Length	Cost to date	24/25 Budget	Forecast total cost	Commentary
				<b>£000</b>			
<b>Building Environment Management System</b>							
The Building and Energy Management System (BEMS) is a business-critical tool which provides visibility and control of building services; principally the heating, ventilation, air conditioning and domestic hot water (HVAC) systems in all areas of the Holyrood site.	Net Zero Ready	22-23	4 years	1,736	1,416	3,604	Previous estimate was range of £3.7m-£4.5m. Forecast adjusted to take into account results of tender exercise
<b>Corporate Systems Programme</b>							
The programme will	Operational Excellence	23/24	3 years	779	743	1,700	<b>New-</b> Procurement of HR/Payroll system

manage the migration of current financial systems supplied by the Scottish Government to the new offerings from the Scottish Government. In addition, the programme will manage the replacement of our HR and Payroll systems which are nearing contract end.							ongoing <b>Total project estimate £1.6-£1.8m</b>
<b>Official Report System Replacement</b>							
Replacement of the system used to produce the Official Report to address technical obsolescence, improve edit, production and publishing processes and deliver efficiencies in the operation and maintenance of the IT system.	Operational Excellence	23/24	3 years	25	190	403	<b>New - Strategic Case Agreed Range £300k-£500k</b>
<b>Business Bulletin</b>							
Changes to Business Bulletin authoring, authorisation and publishing processes and replacement of the compilation tool, to improve service performance, enhance user experience and address technical obsolescence.	Operational Excellence	23/24	3 years	0	223	306	<b>New - Strategic Case Agreed Range £245k-£370k</b>
<b>Windows 10 replacement</b>							
Upgrade of the operating system used by 1600 devices currently running Windows 10. Timing dictated by Windows 10 end of support timetable.	Operational Excellence	23/24	3 years	0	281	396	<b>New - Strategic Case Agreed. Range £143k-£396k</b>

MSP Pay	Budget 2023-24 £'000	Budget Bid 2024-25 £'000	Increase	
			£'000	%
	13,499	14,632	1,133	8.4%

Since 2015-16 the MSP pay budget has been calculated on the basis that pay will be uprated on 1 April by the Annual Survey of Hours and Earnings (ASHE) index published annually in the previous autumn. This enables a high level of certainty around these salary costs. In 2021-22, the SPCB's budget bid to the Finance & Constitution Committee reflected a 0% uplift on those salary rates for 2020-21. Pay uplift in 2022-23 was 3.4% and 1.5% in 2023-24.

ASHE was published on 1 November 2023 and is 5.6%. For the second consecutive year, ASHE is below the other wage inflation indicators, Average Weekly Earnings (AWE) of 6.7% and CPI at 6.7%. SPCB have discussed whether this remains the relevant index for uprating of 2024-25 salaries and have recommended the adoption of AWE as the index for uprating of MSP salaries for the Budget year 2024-25. The budget has been prepared on the basis of applying a 6.7% uplift to members pay from 1 April 2024. This would equate to a salary of £72,195.

Members pay also includes the impact of pension contribution rate changes for 2023-24 (which was not budgeted) as well as 2024-25 of 0.8% for each year.

MSP Staff and Office Costs	Budget 2023-24 £'000	Budget Bid 2024-25 £'000	Increase	
			£'000	%
	26,918	28,737	1,819	6.8%

For last year's Budget, 2023-24 the SPCB chose Average Weekly Earnings (AWE) to uplift the Staff Cost Provision in a move away from the basket approach of indexing Staff Cost Provision annually using a mix of Average Weekly Earnings (AWE) and the ASHE index which had been adopted since Budget 2021-22. General inflation was 11%, the "basket" was 4.1% and AWE was 5.6% at that time.

In selecting the 2024-25 uprating index, the SPCB has expressed a preference to continue with AWE for one further year and avoid the greater volatility reflected by the ASHE index during this continued period of inflationary uncertainty.

This results in an increase for 2024-25 of 6.7% and a rate of £156,900 per Member. It should be noted that Members as employers, within the overall pay ranges, can determine the cost of living award to their staff so long as it is affordable.

The budget is calculated on the following assumptions:

- The Members Expenses budget follows the Scheme introduced at the start of Session 6 including the revised Office Cost Provision and the new Engagement Provision.
- SCP which forms the significant element of the Scheme costs is in line with the recommendations of the SCP Review and is indexed at 6.7%.

- The budget for Members’ Expenses and the associated limits for provisions within the scheme (excluding SCP) will be updated on 1 April 2024. We have used an estimated rate for budget purposes.
- For budgeting purposes an assumed uptake of the Staff Cost Provision is applied to determine the overall budgeted cost of SCP. Historically this has been assumed at 95% however a review of recent trends shows that the average uptake rate between 2016-17 and 2021-22 (excluding election years) is 93%. This rate was applied for the 2023-24 Budget and has been retained for the 2024-25 Budget bid.

Commissioners & Ombudsman	Budget 2023-24	Budget Bid 2024-25	Increase	
	£'000	£'000	£'000	%
	16,638	18,296	1,658	10.0%

The Officeholders’ 2024-25 budget submissions total £18.3m which is £1.7m (10%) higher than the current year and £1.2m (7.3%) higher than the indicative. The main changes in these budgets from 2023-24 reflect changes in the Electoral Commission (EC) and the Scottish Public Services Ombudsmen (SPSO).

An analysis of the officeholders’ budget bids is provided in schedules 4a and 4b.

Contingency	Restated Budget 2023-24	Budget Bid 2024-25	Increase / (decrease)	
	£'000	£'000	£'000	%
General	1,500	1,000	(500)	(33.3)%

- In line with indicative for 2024-25 the budget paper contains a general contingency bid to cover:
- a prudent contingency for emergencies.
  - potential operational cost pressures, which are not yet confirmed or certain.
  - Inflationary pressures on contracts.

Income	Budget 2023-24	Budget Bid 2024-25	(Increase)	
	£'000	£'000	£'000	%
	(270)	(274)	(4)	(1.5%)

The projected income of £274k relates principally to the Parliament shop and is a slight increase against the 2023-24 budget of £4k (1.5%). This is based on a normal year of opening to the public alongside the online shop offering.

<b>Total Net Revenue &amp; Capital Expenditure</b>	<b>Budget 2023-24</b>	<b>Budget Bid 2024-25</b>	<b>Increase</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
	<b>117,598</b>	<b>126,521</b>	<b>8,923</b>	<b>7.6%</b>

**Capital Charges (Schedule 1)**

Capital charges and non-cash items	Budget 2023-24 £'000	Budget Bid 2024-25 £'000	Increase	
			£'000	%
<b>DEL</b>				
Depreciation	14,500	14,500	0	0%
Audit fee	81	84	3	3.7%
<b>Total DEL capital charges and non cash items</b>	<b>14,581</b>	<b>14,584</b>	<b>3</b>	<b>0.0%</b>
<b>AME</b>				
Pension finance cost (net)	2,000	2,000	0	0%
<b>Total AME capital charges and non cash items</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>0%</b>
<b>Total capital and non cash charges DEL + AME</b>	<b>16,581</b>	<b>16,584</b>	<b>3</b>	<b>0.0%</b>

Depreciation on the Holyrood Building and Fixed Plant is calculated based on the valuation figures and estimated useful lives as at 31 March 2023, uplifted for forecast indexation as at 31 March 2024.

The pension finance AME charge represents provision for the notional funding costs for the Members' Pension Fund arising from the movement of actuarial factors.

**Commissioners and Ombudsman Budget Bid 2024-25**

<b>Office</b>	<b>Approved Budget 2023-24 £'000</b>	<b>Budget Bid 2024-25 £'000</b>	<b>2024-25 Increase vs 2023-24 approved budget £,000</b>	<b>2024-25 Increase vs 2023-24 approved budget %</b>
Scottish Public Services Ombudsman	6,155	<b>6,834</b>	679	11.0%
Co-location accommodation (Note 1)	553	<b>561</b>	8	1.4%
<b>Sub total</b>	<u>6,708</u>	<u><b>7,395</b></u>	<u>687</u>	<u>10.2%</u>
Scottish Information Commissioner	2,232	<b>2,413</b>	181	8.1%
Commissioner for Children and Young People in Scotland	1,536	<b>1,687</b>	151	9.8%
Scottish Commission for Human Rights	1,341	<b>1,456</b>	115	8.6%
Commissioner for Ethical Standards in Public Life in Scotland	1,606	<b>1,818</b>	212	13.2%
Standards Commission for Scotland	338	<b>363</b>	25	7.4%
Electoral Commission	1,933	<b>2,165</b>	232	12.0%
Biometrics Commissioner	444	<b>499</b>	55	12.4%
<b>Sub total</b>	<u>16,138</u>	<u><b>17,796</b></u>	<u>1,658</u>	<u>10.3%</u>
Central contingency for legal action, staffing etc	500	<b>500</b>	0	0.0%
<b>Total</b>	<u><u><b>16,638</b></u></u>	<u><u><b>18,296</b></u></u>	<u><u><b>1,658</b></u></u>	<u><u><b>10.0%</b></u></u>

Notes:

Note 1 - Co-location accommodation costs for SPSO, CYPCS, SHRC and SBC are accounted for through the SPSO's budget and annual accounts.

**Analysis of Officeholders 2024-25 budget bids**

	SPSO		SIC		CYPICS	
	Approved Budget £'000	Bid £'000	Approved Budget £'000	Bid £'000	Approved Budget £'000	Bid £'000
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
<b>Revenue</b>						
Staff Costs	5,423	6,118	1,826	2,005	1,135	1,333
Staff Related/General Costs	41	45	24	17	67	64
Property Costs (Note 1)	553	561	129	136	0	0
Professional Fees	327	308	68	60	36	44
Running Costs	429	426	166	178	293	241
Income	(80)	(80)	0	0	0	0
<b>Capital</b>	15	17	19	17	5	5
<b>Total</b>	<b>6,708</b>	<b>7,395</b>	<b>2,232</b>	<b>2,413</b>	<b>1,536</b>	<b>1,687</b>

  

	SHR		ESC		SC	
	Approved Budget £'000	Bid £'000	Approved Budget £'000	Bid £'000	Approved Budget £'000	Bid £'000
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
<b>Revenue</b>						
Staff Costs	1,058	1,175	1,263	1,443	279	316
Staff Related/General Costs	50	62	15	23	21	16
Property Costs	0	3	103	106	3	3
Professional Fees	53	27	160	165	10	9
Running Costs	180	189	62	75	25	19
Income	0	0	0	0	0	0
<b>Capital</b>	0	0	3	6	0	0
<b>Total</b>	<b>1,341</b>	<b>1,456</b>	<b>1,606</b>	<b>1,818</b>	<b>338</b>	<b>363</b>

  

	EC		SBC	
	Approved Budget £'000	Bid £'000	Budget £'000	Bid £'000
	2023-24	2024-25	2023-24	2024-25
<b>Revenue</b>				
Staff Costs	1,182	1,229	337	392
Staff Related/General Costs	0	27	10	15
Property Costs	449	695	0	0
Professional Fees	0	0	30	20
Running Costs	99	67	67	72
Depreciation	203	147	0	0
<b>Capital</b>	0	0	0	0
<b>Total</b>	<b>1,933</b>	<b>2,165</b>	<b>444</b>	<b>499</b>

Notes:

Note 1 - Co-location accommodation costs for SPSO, CYPICS, SHRC and SBC are accounted for through the SPSO's budget and annual accounts.

SPSO - Scottish Public Services Ombudsman

SIC - Scottish Information Commissioner

CYPICS - Commissioner for Children and Young People in Scotland

SHRC - Scottish Human Rights Commission

ESC - Commissioner for Ethical Standards in Public Life in Scotland

SC - Standards Commission for Scotland

EC - Electoral Commission

SBC - Biometrics Commissioner



**SPCB Statement of Financial Position**

	<b>31 Mar 2023 Actual (£'000)</b>	<b>31 Mar 2024 Projected (£'000)</b>	<b>31 Mar 2025 Projected (£'000)</b>
<b>Non-current assets</b>			
Holyrood land and buildings	374,835	377,268	379,576
Other fixed assets	5,188	3,831	2,921
<b>Total non-current assets</b>	<b>380,023</b>	<b>381,099</b>	<b>382,497</b>
<b>Current assets</b>			
Inventories	160	160	160
Trade and other receivables	1,918	1,918	1,918
Cash and cash equivalents	1,073	1,073	1,073
<b>Total current assets</b>	<b>3,151</b>	<b>3,151</b>	<b>3,151</b>
<b>Total assets</b>	<b>383,174</b>	<b>384,250</b>	<b>385,648</b>
<b>Liabilities</b> (including current and non-current)	<b>(3,145)</b>	<b>(3,145)</b>	<b>(3,145)</b>
<b>Assets less liabilities</b>	<b>380,029</b>	<b>381,105</b>	<b>382,503</b>
<b>Taxpayers' equity</b>			
General fund	192,175	183,694	175,895
Revaluation reserve	182,141	191,698	200,895
Pension reserve	5,713	5,713	5,713
<b>Total taxpayers' equity</b>	<b>380,029</b>	<b>381,105</b>	<b>382,503</b>

**Shop Trading Accounts**

	<b>Actual 2019-20 £'000</b>	<b>Actual 2020-21 £'000</b>	<b>Actual 2021-22 £'000</b>	<b>Actual 2022-23 £'000</b>	<b>Budget 2023-24 (4) £'000</b>	<b>Budget 2024-25 (4) £'000</b>
Sales	239	4	16	171	248	254
Cost of Sales (1)	138	15	13	82	128	127
<b>Net Contribution</b>	<b>101</b>	<b>-11</b>	<b>3</b>	<b>88</b>	<b>120</b>	<b>127</b>
Direct Salaries (2)	96	100	97	107	114	121
Other Direct Costs (3)	4	1	1	3	1	1
<b>Total Direct Costs</b>	<b>100</b>	<b>101</b>	<b>98</b>	<b>110</b>	<b>114</b>	<b>122</b>
<b>Net Surplus/(Deficit) after direct costs</b>	<b>1</b>	<b>-112</b>	<b>-94</b>	<b>-22</b>	<b>6</b>	<b>5</b>

Notes

(1) Cost of sales is the cost of items for sale in the shop less budgeted shop discount

(2) Direct Salaries have been updated to reflect retail function staffing (1 Manager, 1.33 G2 plus allowances and overtime)

(3) Other direct costs are expenditure incurred directly in the operation of the shop such as stationery and credit card and cash uplift charges

(4) Based on a normal trading year in line with previous pre-Covid budgets

Actual trading in 2020-21 and 2021-22 was heavily impacted by Covid restrictions

This statement does not include general overhead costs, e.g. for a proportion of business rates, utility costs and other operational and support costs