

Scotland Excel Joint Committee

To: Joint Committee

On: 12 June 2015

Report by Director

Report on Budget Allocation

1. Introduction

As part of the corporate governance of Scotland Excel, the Financial Regulations as approved at the June 2014 Joint Committee, set out the responsibilities under the financial codes and practice notes for the management of budget allocations. The Financial Regulations set out the requirement for the Joint Committee to consider and approve transferring sums over £50,000 from one budget allocation to another.

2. Background

The 2015 / 16 budget for Scotland Excel was approved at the November Joint Committee and at that time members were shown how the budget was allocated over a number of headings in the Core and Procurement Improvement areas of funding.

Having reviewed the budget allocations internally, it is considered appropriate to move budget allocations to accurately reflect how and where some areas of work are funded. As such, it is proposed that consultants employed on a temporary basis to provide technical expertise to support areas of contract development, should be funded under the "other development costs" in Procurement Improvement Activity. In addition, staff currently funded from that area of the budget who provide the learning, development and external consultancy roles should be funded under the core staffing costs.

These changes in budget allocation do not change the overall core and temporary costs as the changes reflect an increase in core staffing, decrease in consultant budgets and increase in development budget and decrease in temporary staff budget each of £100,000. The approved allocation of funds, together with the proposed budget reflecting the movement in funds is shown in appendix 1

As the change proposed is a movement of £100,000 between the budgets the approval of the Joint Committee is required.

3. Recommendation

Members of the Joint Committee are invited to note the contents of the report and approve the transfer between budget allocations.

	2015/16 Approved	2015/16 Proposed Changes
<u>Core Operational Expenditure</u>		
Employee Costs	2,502,800	2,602,800
Property Costs	176,500	176,500
Supplies and Services	87,500	87,500
Contractors	100,000	0
Administration Costs	314,400	314,400
Payments to other Bodies	33,000	33,000
Required Saving	0	0
Total Core Operating Expenditure	3,214,200	3,214,200
<u>Core Operational Income</u>		
Council Requisitions	3,184,200	3,184,200
Other Income	30,000	30,000
Total Core Operating Income	3,214,200	3,214,200
Core Operating Deficit/(Surplus) (a)	0	0

<u>Procurement Improvement Activity</u>		
Temporary Staffing Requirements	255,500	155,500
Other Development Costs	250,000	350,000
	505,500	505,500
Total Temporary Costs (b)	505,500	505,500

<u>Reserve Funding</u>		
Total Reserves	733,567	733,567
Budgeted Drawdown (a) + (b)	(505,500)	(505,500)
Budgeted Balance	228,067	228,067
Estimated Balance	228,067	228,067