

Scotland Excel

To: Executive Sub-Committee

On: 23 August 2019

Report by:

Joint Report by the Treasurer and the Director

Heading:

Revenue Budget Monitoring Report to 19 July 2019

1. Summary

- 1.1 At the end of Period 4, Scotland Excel is projecting a break-even position in its Core activities and Projects are anticipated to contribute £173k to Core, as per the budget approved in December 2018. Further detail is provided at section 4.

2. Recommendations

- 2.1 It is recommended that members note the report.

3. Background

- 3.1 The 2019/20 budget was approved by the Joint Committee on 7 December 2018. This included a temporary drawdown from Project reserve balances carried forward of £120k to fund Supported Living / Care at Home activity.
- 3.2 The Scottish Government has now made grant funding of £150k available for this activity, which means that reserve funding is no longer required in 2019/20.
- 3.3 Budget adjustments between budget headings have been processed, in order to better align to the reporting structure; for example, Apprenticeship Levy is now charged to Transfer Payments when it was previously budgeted in Employee Costs; and staff travel and mileage now sit within Transport Costs when they too were budgeted in Employee Costs.

- 3.4 In addition, a £14k reserve drawdown is now budgeted to cover the further 0.5% pay inflation awarded in 2018/19, as approved (but not quantified) in the 2019/20 budget report.
- 3.5 At 19 July 2019, the year-to-date net expenditure for Core was £694k, comprising gross expenditure of £927k, less gross income of £233k.
- 3.6 The projection for the end of 2019/20 is a break-even position for Core. This is comprised of a projected overspend of £30k in Employee Costs owing to some staff backfill arrangements, offset by the additional £30k in income relating to Supported Living / Care at Home, as outlined above. Income and expenditure will continue to be monitored through the financial year and this projection will be kept under review.
- 3.7 The year-to-date net expenditure for Projects is £59k, comprising gross expenditure of £341k, less gross income of £282k. Projects are expected to contribute £173k funding to Core Operations during 2019/20, as per the approved budget.
- 3.8 The following table provides an analysis of the actual spend to date along with projected net expenditure for 2019/20 and includes a summary of movement in the Revenue Reserve, as well as a glossary of terms.

REVENUE BUDGET MONITORING STATEMENT 2019/20
1 April 2019 to 19 July 2019

Description	Agreed Budget 2019/20	Budget adjustments	Revised Budget 2019/20	Year to Date Actual 2019/20	Projected Full Year Actual 2019/20	Projected Full Year Variance 2019/20
£000s	£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	3,130	(22)	3,108	778	3,138	(30)
Premises Related Costs	218	(1)	217	0	217	0
Supplies and Services	248	7	255	41	255	0
Support Costs	221	0	221	63	221	0
Supported Living/Care at Home	169	0	169	38	169	0
Transfer Payments	6	5	11	4	11	0
Transport Costs	10	25	35	3	35	0
Gross Expenditure	4,002	14	4,016	927	4,046	(30)
Requisition Income	(3,554)	0	(3,554)	0	(3,554)	0
Income from Projects	(173)	0	(173)	0	(173)	0
Temporary Use of Project Balances	(120)	0	(120)	0	0	(120)
Other Income	(155)	0	(155)	(233)	(305)	150
Gross Income	(4,002)	0	(4,002)	(233)	(4,032)	30
Drawdown from Reserves	0	14	14	694	14	0

Summary of in-year Movement in Reserves	£000s
Opening Revenue Reserve at 1 April 2019	(246)
Budgeted Draw on Reserves	14
Year-end overspend	0
Closing Revenue Reserve at 31 March 2020	(232)

Project Summary				
Gross Expenditure	1,428	341	1,428	0
Gross Income	(1,601)	(282)	(1,601)	0
	(173)	59	(173)	0

Glossary

Employee Costs: Includes direct employee costs such as salary costs, overtime and indirect employee costs such as training, recruitment advertising

Premises Related Costs: Includes expenses directly related to the running of premises and land, eg rates, rents and leases, utilities, contract cleaning

Supplies and Services: Includes all supplies and service expenses, such as ICT costs, and administrative costs such as stationery, postages, printing and advertising

Support Costs: Includes central support charges e.g. Renfrewshire Council SLA and telephony recharges

Transfer Payments: Includes costs of payments for which no good or services are received in return e.g. Apprenticeship Levy

Transport Costs: Includes all costs associated with the provision, hire or use of transport, including travelling allowances, taxi and car hire costs and staff mileage