

Scotland Excel

To: Executive Sub-Committee

On: 19 May 2023

**Report by:
Joint Report by the Treasurer and the Chief Executive**

Revenue Budget Monitoring Report to 31 March 2023

1. Summary

- 1.1 At the end of financial year 2022/23, Scotland Excel has generated a small overspend of £0.002m in its Core activities and an increase of £0.270m in committed Project Reserves. This is after a contribution from Projects to Core services of £0.253m. Further detail on the outturn position is provided at section 3.
- 1.2 The Unaudited Annual Accounts for the year 2022/23 will be presented to the Joint Committee in June.

2. Recommendations

- 2.1 It is recommended that members note the report.

3. Background

Core

- 3.1 As at 31 March 2023 (financial year-end), the net expenditure for Core was £0.002m, comprising gross expenditure of £4.890m, less gross income of (£4.888m).
- 3.2 There were minor movements in the final variances to budget compared to the projected break-even position at Period 11, as shown in Appendix 1.

The purchase of some new ICT equipment (£0.014m) has been identified as capital expenditure (qualifying expenditure over £9,000) and will be disclosed as such in the annual accounts. These items were previously reported as Supplies and Services.
- 3.4 Appendix 1 provides an analysis of the actual spend at year-end for Core along with a summary of movement in the Revenue Reserves, as well as a glossary of terms.

Projects

- 3.5 At year-end, the outturn for Projects was a £0.270m increase to earmarked Project reserves. This figure comprises gross expenditure of £2.027m, gross income of (£2.550m) and a Transfer to Core of £0.253m.
- 3.6 There were three significant movements in budget variances compared to the projection at Period 11, as follows:
- **Employee Costs:** this spend increased by £0.025m since the projection at Period 11 due to the addition of a project for Dundee City Council, and an extension of a project with Stirling Council.
 - **Third Party Payments:** this spend increased by £0.016m since the projection at Period 11, due to increased clarity around payments being made to accreditation bodies by the Scotland Excel Academy and to New Build Project partners.
 - **Income from Projects:** this income increased by £0.098m since the projection at Period 11 due to final outturn figures being available for the Academy, Flexible Procurement and Rebates, which fund the Small Value Projects Team.
- 3.7 Appendix 1 provides an analysis of the actual spend at year-end for Projects along with a summary of movement in the Project Reserves, as well as a glossary of terms.

1 April 2022 to 31 March 2023

Core Operations	Approved Budget	Year to Date Actual	Full Year Actual	Full Year Variance (Adverse) / Favourable	Prior Period Projection	Movement in Projection Adverse / (Favourable)
£000s	£000	£000	£000	£000	£000	£000
Employee Costs	4,098	4,069	4,069	29	4,074	(5)
Property Costs	216	216	216	0	217	(1)
Transport Costs	20	4	4	16	9	(5)
Supplies and Services	311	299	299	12	304	(5)
Transfer Payments	16	16	16	0	16	0
Support Costs	271	272	272	(1)	272	0
Capital Charges	0	14	14	(14)	0	0
Gross Expenditure	4,932	4,890	4,890	42	4,892	(2)
Council Requisitions	(3,883)	(3,883)	(3,883)	0	(3,883)	0
Associate Income	(220)	(199)	(199)	(21)	(204)	5
Income from Projects	(286)	(263)	(263)	(23)	(262)	(1)
Rebates	(543)	(543)	(543)	0	(543)	0
Gross Income	(4,932)	(4,888)	(4,888)	(44)	(4,892)	4
Drawdown from Reserves	0	2	2	(2)	0	2
Summary of in-year Movement in Reserves	£000					
Opening Revenue Reserve at 1 April 2022	246					
Budgeted Draw on Reserves	0					
Projected Year-end variance	(2)					
Closing Revenue Reserve at 31 March 2023	244					
% of Operating Income	5.0%					

Glossary

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

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

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

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

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

Support Costs: Includes central support charges e.g. Renfrewshire Council SLA and telephony recharges ('Administration Costs' in approved budget)

REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 31 March 2023

Projects	Approved Budget	Year to Date Actual	Full Year Actual	Full Year Variance (Adverse) / Favourable	Prior Period Projection	Movement in Projection Adverse / (Favourable)
£000s	£000	£000	£000	£000	£000	£000
Employee Costs	1,416	1,583	1,583	(167)	1,558	25
Transport Costs	4	0	0	4	2	(2)
Supplies and Services	5	41	41	(36)	44	(3)
Transfer Payments	5	5	5	0	5	0
Third Party Payments	506	398	398	108	382	16
Gross Expenditure	1,936	2,027	2,027	(91)	1,991	36
Income from Projects	(2,111)	(2,550)	(2,550)	439	(2,452)	(98)
Gross Income	(2,111)	(2,550)	(2,550)	439	(2,452)	(98)
Net Expenditure Sub-Total	(175)	(523)	(523)	348	(461)	(62)
Transfer to Core	286	253	253	33	253	0
Net Expenditure	111	(270)	(270)	381	(208)	(62)

Summary of in-year Movement in Reserves	£000
Opening Projects Reserves at 1 April 2022	1,113
Budgeted Draw on Reserves	(111)
Projected year-end variance	381
Closing Project Reserves at 31 March 2023	1,383
% of Operating Income	54.2%

Glossary

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

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

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

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

Third Party Payments: Includes payments to other agencies and organisations in return for services, e.g. CMI/SQA fees