

## Scotland Excel

**To: Executive Sub-Committee**

**On: 17 May 2024**

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

### **Revenue Budget Monitoring Report to 31 March 2024**

#### **1. Summary**

- 1.1 At the end of financial year 2023/24, Scotland Excel has generated a small surplus of £0.080m in its Core activities and an increase of £0.853m in committed Project Reserves. This is after a contribution from Projects to Core services of £0.587m. Further detail on the outturn position is provided at section 3.
- 1.2 The Unaudited Annual Accounts for the year 2023/24 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 (£0.080m), comprising gross expenditure of £5.373m, less gross income of (£5.453m).
- 3.2 The movement in full year projection from period 11 is detailed below.
  - **Employee Costs**  
The outturn for Employee Costs is £13k more than projected at period 11 due to year-end adjustments and vacancies being filled earlier than anticipated.
  - **Transport Costs**  
The outturn for Transport Costs is £10k less than projected at period 11 due to less travel taking place prior to financial year end.

- **Support Costs**

The outturn for Support Costs is £31k lower than projected at period 11 reflecting lower than anticipated expenditure prior to financial year end coupled with the savings accrued from a competitive tender process for Professional Indemnity Insurance renewal costs for 2023/24.

- **Capital Charges**

Purchases in respect of new ICT equipment have been identified as capital and recorded as so. (qualifying expenditure over £9,000).

- **Income from Projects:** Income from projects exceeded projections reflecting the over recovery of Rebate income accrued from financial year 2022/23 (£337k), Interest accrued during 2023/24 (£16k) and higher than anticipated income generated from the New Build framework, the Scotland Excel Academy and the Flexible Procurement team (£36k).

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 £0.853m increase to earmarked Project reserves. This figure comprises gross expenditure of £1.906m, gross income of (£3.346m) and a Transfer to Core of £0.587m.

3.6 Significant movements in budget variances compared to the projection at Period 11 are as follows:

- **Employee Costs:** spend increased by £0.075m since the projection at Period 11 due to year-end adjustments and the inclusion of the Savings Team costs from December to March 2024. The Executive Sub Committee has approved funding for the Savings Team from reserves accrued due from pension savings for the next 2 financial years.
- **Third Party Payments:** spend increased by £0.017m 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 following confirmation of anticipated spend through the framework for 2023/24.
- **Income from Projects:** income increased by £0.574m since the projection at Period 11 due to final outturn figures being available for the Scotland Excel Academy, for the Flexible Procurement Team and for Rebates accrued from expenditure made via Frameworks.

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.

**REVENUE BUDGET MONITORING STATEMENT 2023/24**  
1 April to 31 March 2024

Core Operations	Approved Budget	Year to Date Actual	Full Year Actual	Full Year Variance (Adverse) / Favourable	Prior Period Projection P11	Movement in Projection Adverse / (Favourable)
£000s	£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	4,207	4,562	4,562	(355)	4,549	13
Property Costs	217	217	217	0	217	0
Transport Costs	20	7	7	13	17	(10)
Supplies and Services	291	300	300	(9)	301	(1)
Transfer Payments	22	17	17	5	17	0
Support Costs	303	250	250	53	281	(31)
Capital Charges	0	20	20	(20)	0	20
<b>Gross Expenditure</b>	<b>5,060</b>	<b>5,373</b>	<b>5,373</b>	<b>(313)</b>	<b>5,382</b>	<b>(9)</b>
Council Requisitions	(3,999)	(3,999)	(3,999)	0	(3,999)	0
Associate Income	(230)	(234)	(234)	4	(240)	6
Income from Projects	(248)	(637)	(637)	389	(617)	(20)
Rebates	(583)	(583)	(583)	0	(583)	0
<b>Gross Income</b>	<b>(5,060)</b>	<b>(5,453)</b>	<b>(5,453)</b>	<b>393</b>	<b>(5,439)</b>	<b>(14)</b>
<b>Drawdown from Reserves</b>	<b>0</b>	<b>(80)</b>	<b>(80)</b>	<b>80</b>	<b>(57)</b>	<b>(23)</b>

Summary of in-year Movement in Reserves	£000s
Opening Revenue Reserve at 1 April 2023	244
Budgeted Draw on Reserves	0
Projected Year-end variance	80
<b>Closing Revenue Reserve at 31 March 2024</b>	<b>324</b>
<b>% of Operating Income</b>	<b>5.9%</b>

### 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 2023/24**  
**1 April 2023 to 31 March 2024**

Projects	Approved Budget	Year to Date Actual	Full Year Actual	Full Year Variance (Adverse) / Favourable	Prior Period Projection P11	Movement in Projection Adverse / (Favourable)
£000s	£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	1,534	1,661	1,661	(127)	1,586	75
Transport Costs	3	0	0	3	0	0
Supplies and Services	54	118	118	(64)	123	(5)
Transfer Payments	7	6	6	1	6	0
Third Party Payments	848	121	121	727	104	17
<b>Gross Expenditure</b>	<b>2,446</b>	<b>1,906</b>	<b>1,906</b>	<b>540</b>	<b>1,819</b>	<b>87</b>
Income from Projects	(2,868)	(3,346)	(3,346)	478	(2,772)	(574)
<b>Gross Income</b>	<b>(2,868)</b>	<b>(3,346)</b>	<b>(3,346)</b>	<b>478</b>	<b>(2,772)</b>	<b>(574)</b>
<b>Net Expenditure Sub-Total</b>	<b>(422)</b>	<b>(1,440)</b>	<b>(1,440)</b>	<b>1,018</b>	<b>(953)</b>	<b>(487)</b>
<b>Transfer to Core</b>	<b>248</b>	<b>587</b>	<b>587</b>	<b>(339)</b>	<b>595</b>	<b>(8)</b>
<b>Net Expenditure</b>	<b>(174)</b>	<b>(853)</b>	<b>(853)</b>	<b>679</b>	<b>(358)</b>	<b>(495)</b>

Summary of in-year Movement in Reserves	£000s
Opening Projects Reserves at 1 April 2023	1,496
Projected Contribution to Reserves	174
Projected year-end variance	679
<b>Closing Project Reserves at 31 March 2024</b>	<b>2,349</b>
% of Operating Income	70.2%

### 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