

SCOTLAND EXCEL

To: Scotland Excel Executive Sub Committee

On: 15 May 2015

Report by: Joint Report by the Treasurer and the Director

Heading: Revenue Budget Monitoring Report to 27 February 2015

1. Summary

- 1.1 Gross expenditure is £24,000 over budget and income is currently £178,000 over recovered which results in a net underspend of £154,000 for Scotland Excel. This is summarised in point 4:
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2 Recommendations

- 2.1 It is recommended that members consider the report.
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3 Budget Adjustments Since Last Report

- 3.1 There have been no budget adjustments since the last report.
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4 Budget Performance

- | | |
|-----------------------------|--------------------------------|
| 4.1 Current Position | Net Underspend £154,000 |
| <i>Previously Reported</i> | <i>Net Underspend £154,000</i> |

The variance in expenditure is primarily due to an underspend in Employee Costs and Supplies & Services offset by an overspend in Administrative Costs.

The underspend in Employee Costs is mainly related to 4 vacancies within procurement roles. A recruitment process has filled 3 of these posts with the staff in place at the start of March. This is partially offset by a one off cost for voluntary redundancy and agency fees for additional temporary staff. Additional Employee and Travel Costs in relation to the procurement reform team are offset by additional income.

The underspend in Supplies and Services is due to delays in the planned expenditure on IT development.

The overspend in Administration Costs is mainly due to legal fees incurred following a recent challenge over a tendering contract, the majority of these costs are expected to be recovered on conclusion of the legal process which should occur during 2015-16. Additional recruitment costs related to the filling of vacancies have also contributed to the overspend.

Training courses delivered by Scotland Excel have resulted in the overspend within Payments to Other Bodies. These are fully recharged back to delegates and offset by additional income.

The over recovery of Other Income relates to the recoverable Employee Costs and Training Costs discussed above.

4.2 Projected Year End Position

The projected year end position shows a draw down from reserves of £379,000 which is £77,600 less than the approved draw down primarily associated with the vacancies discussed in 4.1. This includes a projected draw on reserves of £100,696 in respect of VR/VER costs as discussed in the 2015-16 Revenue Estimates report approved by the Joint Committee on the 5 December 2014.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2014/15
1st April 2014 to 27th February 2015

JOINT COMMITTEE - SCOTLAND EXCEL

Description (1)	£000's	Agreed Annual Budget (2)	Year to Date Budget (3)	Year to Date Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance £000's	%
Employee Costs	2,721	2,418	2,360	2,360	0	2,360	58	2.4%
Property Costs	178	176	176	176	0	176	0	0.0%
Supplies & Services	183	127	94	94	0	94	33	26.0%
Contractors and Others	247	218	217	217	0	217	1	0.5%
Administration Costs	308	59	90	90	0	90	(31)	-52.5%
Payments to Other Bodies	33	19	104	104	0	104	(85)	-447.4%
GROSS EXPENDITURE	3,670	3,017	3,041	3,041	0	3,041	(24)	-0.8%
Contributions from Local Authorities	(3,184)	(3,184)	(3,184)	(3,184)	0	(3,184)	0	0.0%
Other Income	(30)	(30)	(183)	(183)	(25)	(208)	178	593.3%
INCOME	(3,214)	(3,214)	(3,367)	(3,367)	(25)	(3,392)	178	5.5%
TRANSFER (TO)/FROM RESERVES	456	(197)	(326)	(326)	(25)	(351)	154	78.2%

	Agreed Annual Budget	Year to Date Budget	Year to Date Actual	Adjustments	Revised Actual
CORE OPERATIONS EXPENDITURE	3,265	2,694	2,727	0	2,727
NON-CORE OPERATIONS EXPENDITURE	405	323	314	0	314
TOTAL GROSS EXPENDITURE	3,670	3,017	3,041	0	3,041

Budgeted Deficit	£000's	456
Anticipated Year End Deficit	£000's	(1,135)
		(756)
		Opening Reserves
		Anticipated Closing Reserves