

To: Scotland Excel Executive Sub Committee

On: 25 January 2019

**Report
by
Joint Report by the Treasurer and the Director**

Revenue Budget Monitoring Report to 7 December 2018

1. Summary

Gross expenditure is £9,000 under budget and income is currently £14,000 under recovered which results in a net overspend of £5,000 for Scotland Excel. This is summarised in point 4:

2 Recommendations

It is recommended that members consider the report.

3 Budget Adjustments Since Last Report

There have been no budget adjustments.

4 Budget Performance - Core

| | |
|-----------------------------|-----------------------------|
| 4.1 Current Position | Net Overspend £5,000 |
| <i>Previously Reported</i> | <i>Net Overspend £6,000</i> |

The variance is namely due to an underspend in Employee Costs and an under-recovery in income relating to Crown Commercial Services. The underspend in Employee Costs is due to a higher than anticipated staff turnover and a vacancy for the post of Resource Manager.

4.2 Projected Year End Position - Core

It is currently forecast that Scotland Excel will overspend by £12,000 at the year end. This majority of the overspend can be attributed to Supplies and Services (£60,000).

The remainder of the overspend is due to unbudgeted costs for ICT software and telephony, the cost of external recruitment support and costs relating to supporting the local government supplier development programme which supports local spend initiatives.

The overspends detailed above are offset by an underspend in employee costs which has been the result of vacancy management.

It is forecast that income from the partnership with Crown Commercial Services will be less than anticipated. This is however still being discussed with the organisation.

Scotland Excel management will take remedial action during the remainder of the financial year to mitigate the current forecasted overspend.

4.3 Project Income and Expenditure

Members have requested information in relation to the performance of projects, this was also part of an audit recommendation. Please see the table below:

| Period 9 Position | Forecast Year End Position |
|--------------------------------------|--|
| Expenditure: £852,924 | Expenditure £1,485,169 |
| Income £1,189,499 | Income £1,775,004 |
| Net £336,575 | Net £289,535 |
| 18/19 Opening Project Reserve | 18/19 Forecast Closing Reserves |
| £264,489 | £554,024 |

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2018/19
1st April 2018 to 7th December 2018

JOINT COMMITTEE : SCOTLAND EXCEL

| Description (1) | Agreed Annual Budget (2) | Year to Date Budget (3) | Year to Date Actual (4) | Adjustments (5) | Revised Actual (6) = (4 + 5) | Budget Variance (7) | | | Year End Position | | | |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|--------------------|---------------------------------|------------------------|--------------|-----------------------|-------------------|-------------|---------------|-----------------------|
| | | | | | | £000's | % | | Year End | Year end | Year end | Over / Under Spend |
| | | | | | | | | | Projection | Variance | Variance | |
| £000's | £000's | £000's | £000's | £000's | £000's | | £000's | £000's | % | | | |
| Employee Costs | 3,033 | 1,913 | 1,841 | 62 | 1,903 | 10 | 0.5% | underspend | 3,009 | 24 | 0.79% | underspend |
| Premises Related | 176 | 132 | 132 | 0 | 132 | 0 | 0.0% | breakeven | 175 | 1 | 0.57% | breakeven |
| Supplies & Services | 222 | 110 | 98 | 12 | 110 | 0 | 0.0% | breakeven | 237 | (15) | -6.64% | overspend |
| Support Services | 220 | 60 | 62 | 0 | 62 | (2) | -3.3% | overspend | 221 | (1) | -0.47% | breakeven |
| Transfer Payments | 14 | 1 | 0 | 0 | 0 | 1 | 100.0% | underspend | 16 | (2) | -16.46% | overspend |
| Transport Related | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | breakeven | 0 | 0 | 0.00% | breakeven |
| GROSS EXPENDITURE | 3,664 | 2,216 | 2,133 | 74 | 2,207 | 9 | 0.4% | underspend | 3,657 | 7 | -0.22% | overspend |
| Contributions from Local Authorities | (3,484) | (82) | (82) | 0 | (82) | 0 | 0.0% | breakeven | (3,484) | 0 | 0.00% | breakeven |
| Other Income - Associate Members | (90) | (70) | (56) | 0 | (56) | (14) | -20.0% | under-recovery | (70) | (20) | -21.72% | under-recovery |
| INCOME | (3,574) | (152) | (138) | 0 | (138) | (14) | -9.2% | under-recovery | (3,555) | (19) | -0.54% | under-recovery |
| TRANSFER (TO)/FROM RESERVES | 90 | 2,064 | 1,995 | 74 | 2,069 | (5) | -0.2% | overspend | 102 | (12) | -0.76% | overspend |

Summary of In Year Movement of Reserves

| | £000's |
|---|--------------|
| Opening Reserves 1/4/18 | (292) |
| Budgeted Draw on Reserves (Approved at June 18 Committee) | 90 |
| Projected Year End Overspend / (Underspend) | 12 |
| Anticipated Closing Reserves | <u>(190)</u> |

Glossary of Terms

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

Premises Related - This group includes expenses directly related to the running of premises and land. Includes rates, rents and leases, utilities, contract cleaning

Supplies & Services - This includes all direct supplies and service expenses incurred by the committee. Also includes administrative costs such as stationary, postages, printing in addition to ICT equipment, telephony equipment and non recruitment

Support Services - Includes central support charges e.g Renfrewshire Council SLA

Transfer Payments - Includes costs of payments to individuals for which no good or services are received in return e.g Apprenticeship Levy (previously reported under employee costs)

Transport Costs - This group includes all costs associated with the provision, hire or use of transport, including travelling allowances. Includes taxi and car hire costs, Includes staff mileage (previously reported employee costs)