

## Scotland Excel

**To: Executive Sub Committee**

**On: 31 March 2017**

### Report by Joint Report by the Treasurer and the Director

#### Revenue Budget Monitoring Report to 3 March 2017

#### 1. Summary

- 1.1 Gross expenditure is £10,000 over budget and income is currently £83,000 over recovered which results in a net underspend of £73,000 for Scotland Excel. This is summarised in point 4:

#### 2 Recommendations

- 2.1 It is recommended that members consider the report.

#### 3 Budget Adjustments Since Last Report

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

#### 4 Budget Performance

- |                             |                               |
|-----------------------------|-------------------------------|
| 4.1 <b>Current Position</b> | <b>Net Underspend £73,000</b> |
| <i>Previously Reported</i>  | <i>Net Underspend £60,000</i> |

The variance is due to an underspend in Supplies and Services and over recovery of Other Income, offset by an overspend in Employee Costs, Administration Costs and Payment to Other Bodies.

The overspend in Employee Costs is due to a low turnover of staff, resulting in budget assumptions not being achieved.

The underspend within Supplies and Services relates to the IT budget. The Scotland Excel planned IT migration plan has, following discussion with Renfrewshire IT staff, been revised. As a result of changes planned by Renfrewshire to their infrastructure it would have been inappropriate to proceed on the basis that had been planned when, working in conjunction with Renfrewshire Council, there is the opportunity to be part of their migration to a cloud environment. There will now be a requirement to defer the previously agreed draw down of reserves to 2017 / 18 for the changes in the IT infrastructure.

The overspend within Administration Costs relates to the legal costs associated with a challenge to a framework award. At present there is no

indication of the settlement that will be recovered in relation to the expenses incurred.

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 Training Costs discussed above, unbudgeted Consultancy Income and additional full year Associate Member Fees from the Wheatley Group.

#### **4.2 Projected Year End Position**

The projected year end position shows a draw down from the general reserve of £115,603 which is £83,907 less than the approved draw down. The draw down from the National Care Home ring fenced reserve is £1,806.

