

Scotland Excel

To: Executive Sub-Committee

On: 31 May 2019

Report by:

Joint Report by the Treasurer and the Director

Heading:

Revenue Budget Monitoring Report to 31 March 2019

1. Summary

- 1.1 Scotland Excel has ended the 2018/19 financial year with a small overspend of £3,288 within its Core Operations. This comprises an underspend in expenditure of £2,922 and an under-recovery in income of £6,210. Further detail is provided in Section 4.

2. Recommendations

- 2.1 It is recommended that members note the year-end positions in both Core Operations and Projects detailed within the report.

3. Background

- 3.1 The 2018/19 budget was approved by the Joint Committee in December 2017, with a further change agreed in June 2018. This approved a total drawdown from reserves of £90,000 in the year for Core Operations.
- 3.2 At 31 March 2019, the net expenditure position is a drawdown of £93,288; an overspend for 2018/19 of £3,288.
- 3.3 As reported at Period 9, there were additional pressures in Core Operations in 2018/19 relating to ICT software and telephony, external recruitment support and costs relating to the local government supplier development programme, which supports local spend initiatives. These costs are included within 'Supplies and Services' and 'Support Costs'.

- 3.4 These pressures are offset by a higher than expected underspend in Employee Costs, owing to the prudent management of vacancies. The net result was an underspend in gross expenditure for 2018/19 of £2,922.
- 3.5 Income from requisitions was fully recovered in the year, however a shortfall in income from Crown Commercial Services, as forecast during the year, contributed to an overall under-recovery in gross income of £6,210.
- 3.6 At 1 April 2018, the balance on the Projects Reserve was £264,489.
- 3.7 The Projects ended the year at 31 March 2019 with a surplus of income over expenditure of £422,404. Some of this balance is committed for future Project spend. The detail and management of this balance will be reported in the draft Annual Accounts and brought before the Joint Committee on 21 June 2019.
- 3.8 The following table provides an analysis of the budget and actual spend during 2018/19 and includes a summary of movement in the General Reserve, as well as a Glossary of terms.

SCOTLAND EXCEL
REVENUE BUDGET MONITORING STATEMENT 2018/19
1 April 2018 to 31 March 2019

Description	Agreed Budget 2018/19	Budget adjustments	Revised Budget 2018/19	Actual 2018/19	Variance 2018/19
£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	3,033	0	3,033	3,007	26
Premises Related	176	0	176	176	0
Supplies and Services	222	81	303	316	(13)
Support Services	220	0	220	226	(6)
Transfer Payments	13	0	13	14	(1)
Transport Related	0	0	0	3	(3)
Gross Expenditure	3,664	81	3,745	3,742	3
Requisition Income	(3,484)	0	(3,484)	(3,484)	0
Income from Projects	0	(81)	(81)	(81)	0
Other Income	(90)	0	(90)	(84)	(6)
Gross Income	(3,574)	(81)	(3,655)	(3,649)	(6)
Transfer from Reserves	90	0	90	93	(3)

Summary of in-year Movement in Reserves	£000s
Opening General Reserve at 1 April 2018	(292)
Budgeted Draw on Reserves (approved June 18)	90
Year-end overspend	3
Closing Reserves	(199)

Glossary

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

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

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

Support Services: Includes central support charges e.g. Renfrewshire Council SLA and telephony recharges

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

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