

Report

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Report to:	Education Resources Committee
Date of Meeting:	9 November 2010
Report by:	Chief Executive and Executive Director (Education Resources)

Subject:	Revenue Budget Monitoring 2010/2011 - Education Resources
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2010 to 1 October 2010 for Education Resources
- ◆ provide a forecast for the year to 31 March 2011.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the breakeven position on Education Resources' revenue budget as detailed in Appendix A of the report, and the forecast to 31 March 2011 of break even be noted; and
- (2) that the proposed budget virements be approved.

3. Background

- 3.1. This is the second revenue budget monitoring report presented to the Education Resources Committee for the financial year 2010/2011. Further reports will follow throughout the financial year.
- 3.2. The report details the financial position for Education Resources in Appendix A, along with variance explanations.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 1 October 2010, there was a breakeven position against phased budget. The forecast for the revenue budget to 31 March 2011 is a break even position.

6. Other Implications

6.1. The main risk associated with the Council's Revenue Budget is failure to manage the budget resulting in a significant overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Archibald Strang
Chief Executive

Larry Forde
Executive Director (Education Resources)

13 October 2010

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Education Resources Committee, 31 August 2010

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 1 October 2010

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Education Resources Committee: Period Ended 1 October 2010 (No.7)

Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	197,254	197,254	0	97,677	98,378	(701)	over	(0.7%)	1, a, b
Property Costs	30,463	30,463	0	21,179	20,729	450	under	2.1%	2, a
Supplies & Services	13,743	13,743	0	9,128	8,980	148	under	1.6%	3, a, b
Transport & Plant	10,800	10,800	0	4,522	4,421	101	under	2.2%	4, a
Administration Costs	1,146	1,146	0	391	391	0	-	0.0%	a
Payments to Other Bodies	12,890	12,890	0	6,210	6,208	2	under	0.0%	a, b
Payments to Contractors	26,940	26,940	0	11,415	11,415	0	-	0.0%	a
Transfer Payments	1,220	1,220	0	1,174	1,174	0	-	0.0%	a
Financing Charges	707	707	0	516	516	0	-	0.0%	a
Total Controllable Exp.	295,163	295,163	0	152,212	152,212	0	-	0.0%	
Total Controllable Inc.	(7,512)	(7,512)	0	(2,512)	(2,512)	0	-	0.0%	a
Net Controllable Exp.	287,651	287,651	0	149,700	149,700	0	-	0.0%	

Variance Explanations**1. Employee Costs**

The overspend is due to increased average salaries relating mainly to School Support and Early Years employees and also costs in relation to Teachers, including cover.

2. Property Costs

The underspend is due to savings built up in Other Property Costs. This underspend will be used to manage budget pressures across the Resource.

3. Supplies and Services

The underspend is mainly due to less than anticipated uptake of Free School Meals.

4. Transport and Plant

The underspend is due to improved contract management within Strathclyde Passenger Transport, which is a demand led service.

Budget Virements

- a. Additional Income from a number of external organisations: Employee Costs £0.356m; Property Costs £0.001m; Supplies and Services £0.178m; Transport and Plant £0.024m; Administration £0.059m; Payments to Other Bodies £0.152m; Payments to Contractors £0.088m; Transfer Payments £0.019m; Financing Charges £0.013m; Income (£0.890m)
- b. Transfer from Social Work Resources for Changing Children's Services £0.422m: Employee Costs £0.119m, Supplies and Services £0.033m and Payments to Other Bodies £0.270m