

Report

3

Report to:	Education Resources Committee
Date of Meeting:	1 February 2011
Report by:	Chief Executive and Executive Director (Education Resources)

Subject:	Education Resources - Revenue Budget Monitoring 2010/2011
----------	----------------------------------------------------------------------

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 23 December 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, be noted;
- (2) that following the probable outturn exercise, the forecast to 31 March 2011 of break even be noted; and
- (3) that the proposed budget virements be approved.

3. Background

3.1. This is the third 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 23 December 2010, there is a breakeven position against phased budget.

5.2. Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2011 is a break even position.

5.3. Virements are also proposed to realign budgets across budget categories and with other Resources. These movements have been detailed in Appendix A to this report.

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)

11 January 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Education Resources Committee, 9 November 2010

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 23 December 2010

Contact for Further Information

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

Paul Manning, Head of Finance

Ext: 4532 (Tel: 01698 454532)

E-mail: paul.manning@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Education Resources Committee: Period Ended 23 December 2010 (No.10)

Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/10	Actual 23/12/10	Variance 23/12/10		% Variance 23/12/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	195,603	196,203	(600)	144,937	145,595	(658)	over	(0.5%)	1, a, b, c, f, k
Property Costs	30,728	30,728	0	24,562	24,562	0	-	0.0%	a, f, g, i, k
Supplies & Services	14,007	13,857	150	10,276	10,142	134	under	1.3%	2, a, c, f, j
Transport & Plant	10,188	9,688	500	7,005	6,547	458	under	6.5%	3, a, d, f, k
Administration Costs	1,077	1,077	0	588	592	(4)	over	(0.7%)	a, f
Payments to Other Bodies	13,191	12,891	300	9,211	8,998	213	under	2.3%	4, a
Payments to Contractors	27,377	27,377	0	18,512	18,512	0	-	0.0%	e
Transfer Payments	1,633	1,633	0	1,597	1,597	0	-	0.0%	a
Financing Charges	691	691	0	526	526	0	-	0.0%	f
Total Controllable Exp.	294,495	294,145	350	217,214	217,071	143	under	0.1%	
Total Controllable Inc.	(7,742)	(7,392)	(350)	(4,810)	(4,667)	(143)	under recovered	(3.0%)	5. a, f, h
Net Controllable Exp.	286,753	286,753	0	212,404	212,404	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.

2. Supplies and Services

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

3. Transport and Plant

The underspend is due to improved contract management within Strathclyde Passenger Transport.

4. Payments to Other Bodies

This underspend is mainly due to Residential School Places, which is a demand led service, with the underspend being used to manage budget pressures elsewhere in the Resource.

5. Income

This under recovery is a result of the income from Music Tuition and Privilege Transport being lower than anticipated.

Budget Virements

- Additional Income from a number of external organisations: Employee Costs (£0.113m); Property Costs £0.005m; Supplies and Services £0.057m; Transport and Plant £0.001m; Administration Costs £0.033m; Payments to Other Bodies £0.230m; Transfer Payments £0.380m; Income (£0.593m).
- Transfer of excess pay award budget to the centre (£0.506m); Employee Costs (£0.506m).
- Additional General Revenue Grant received for Curriculum for Excellence £0.188m: Employee Costs £0.172m; Supplies and Services £0.016m.
- Transfer to Community Resources for Fleet Saving 2010/11 (£0.180m); Transport & Plant (£0.180m).
- Transfer from Reserves in respect of Work Compensation Events for Secondary Schools Modernisation £0.437m: Payments to Contractors £0.437m.
- Part-year transfer of Libraries to Community Resources for the Leisure and Cultural Trust (£2.192m): Employee Costs (£1.871m); Property Costs (£0.214m); Supplies and Services (£0.174m); Transport and Plant (£0.033m); Administration Costs (£0.074m); Financing Charges (£0.003m); Income £0.177m.
- Transfer from centrally held funds in respect of Rates realignment £0.365m: Property Costs £0.365m.
- Transfer from Reserves in respect of European Grant Funding carried forward from 2009/10 £0.395m: Income £0.395m.
- Transfer from centrally held funds in respect of Utilities £0.107m: Property Costs £0.107m.
- Transfer from Reserves in respect of Research Machines - Information Communication Technology Contract £0.400m: Supplies and Services £0.400m.
- Realignment to reflect budget pressures: Employee Costs £0.300m; Property Costs £0.100m; Transport (£0.400m).