

# Report

Report to:	<b>Education Resources Committee</b>
Date of Meeting:	<b>6 February 2018</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)</b>

Subject:	<b>Education Resources - Revenue Budget Monitoring 2017/2018</b>
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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 2017 to 8 December 2017 for Education Resources
- ◆ provide a forecast for the year to 31 March 2018.

## 2. Recommendation(s)

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

- (1) that an underspend of £213,000 on Education Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2018 of an underspend of £642,000 be noted.
- (2) 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 2017/2018.

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 8 December 2017, there is a underspend of £213,000 against the phased budget and the forecast for the revenue budget to 31 March 2018 is an underspend position of £642,000. The underspend primarily reflects the 2017/2018 budgeted cost for teachers' pay award.

5.2. 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 that there is an 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.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.

## **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.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

**Tony McDaid**

**Executive Director (Education Resources)**

17 January 2018

## **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, Effective and Efficient

## **Previous References**

- ◆ None

## **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 8 December 2017

## **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 8 December 2017 (No.10)

## Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/12/17	Actual 08/12/17	Variance 08/12/17		% Variance 08/12/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	214,620	213,743	877	141,796	141,766	30	under	0.0%	a,b,c,e,f,h,i
Property Costs	23,649	22,945	704	19,412	19,160	252	under	1.3%	1,e,f,h,i
Supplies & Services	12,447	13,276	(829)	5,036	5,084	(48)	over	(1.0%)	a,b,f,h,i
Transport & Plant	10,152	10,844	(692)	7,429	7,711	(282)	over	(3.8%)	2,h,i
Administration Costs	1,177	1,270	(93)	959	985	(26)	over	(2.7%)	d,h
Payments to Other Bodies	14,743	14,352	391	7,990	7,772	218	under	2.7%	3,a,b,h
Payments to Contractors	32,182	32,402	(220)	21,369	21,449	(80)	over	(0.4%)	4,h
Transfer Payments	1,191	1,110	81	1,121	1,086	35	under	3.1%	g
Financing Charges	327	334	(7)	171	171	0	-	0.0%	h
<b>Total Controllable Exp.</b>	<b>310,488</b>	<b>310,276</b>	<b>212</b>	<b>205,283</b>	<b>205,184</b>	<b>99</b>	<b>over</b>	<b>0.0%</b>	
<b>Total Controllable Inc.</b>	<b>(16,329)</b>	<b>(16,759)</b>	<b>430</b>	<b>(12,810)</b>	<b>(12,924)</b>	<b>114</b>	<b>over recovered-</b>	<b>(0.9%)</b>	<b>5,a,g</b>
<b>Net Controllable Exp.</b>	<b>294,159</b>	<b>293,517</b>	<b>642</b>	<b>192,473</b>	<b>192,260</b>	<b>213</b>	<b>under</b>	<b>0.1%</b>	

Variance Explanations

1. The underspend on property costs relates to gas prices.
2. The transport overspend reflects the increased demand and cost of providing ASN transport in schools.
3. This relates to a projected underspend in the cost of external placements.
4. The overspend in payments to contractors represents inflation costs within the PPP contract.
5. The over recovery in income relates to Early Years fees.

Budget Virements

- a. Additional Income from external organisations. Net Effect £0.000m: Employee Costs £0.635m, Supplies and Services £2.062m, Payments to Other Bodies (£0.102m) and Income (£2.595m).
- b. Transfer of funding for Children & Young People and Early Learning & Childcare Expansion. Net Effect £1.585m: Employee Costs £1.208m, Supplies and Services £0.500m, Payments to Other Bodies (£0.123m).
- c. General Revenue Grant for Teachers' Pay Award 2017/18. Net Effect £0.391m: Employee Costs £0.391m.
- d. Transfer of budget to Finance & Corporate Resources for 17/18 printing savings. Net Effect (£0.024m): Admin (£0.024m).
- e. Transfer of budget to reflect rates funding and teachers induction scheme adjustment. Net Effect (£0.211m): Employee Costs (£0.639m), Property Costs £0.428m.
- f. Transfer of budget to Community & Enterprise for the removal of the Facilities Services. Net Effect (£21.604m): Employee Costs (£0.013m), Property (£12.210m), Supplies and Services (£9.381m).
- g. Realignment of Education Maintenance Allowance budget. Net Effect £0.000m: Transfer Payments £0.168m, Income (£0.168m).
- h. Realignment of DMS. Net Effect £0.000m: Employee Costs £3.225m, Property £0.014m, Supplies and Services (£3.514m), Transport and Plant £0.030m, Administration Costs £0.076m, Payments to Other Bodies £0.188m, Payments to Contractors £0.001m, Finance Charges (£0.020m).
- i. Realignment of budget to reflect service delivery. Net Effect £0.000m: Employee Costs (£0.700m), Property Costs (£0.650m), Supplies and Services £0.700m and Transport and Plant £0.650m.