

# Report

Report to:	<b>Education Resources Committee</b>
Date of Meeting:	<b>26 September 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2023/2024 - Education Resources</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 2023 to 11 August 2023 for Education Resources

## 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; 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 2023/2024.

3.2. The report details the financial position for Education Resources in Appendix A, along with variance explanations.

## 4. Scottish Attainment Challenge Funding

4.1. The current budget for Education contains £9.866m awarded for Pupil Equity Funding (PEF) and £1.473m for Strategic Equity Funding (SEF). Total budget for 2023/24 is £11.339m and this is contained within this reported position.

4.2. In relation to PEF funding, the £9.866m represents £0.905m 2022/23 carry forward, plus a previous year adjustment of £0.012m and £8.949m for the 2023/24 allocation. Spend and commitment to date, as at 11 August 2023, is £3.079m, with £6.787m still to spend. This includes known staff costs for the period April 2023 to August 2023, however, staffing for the new school session from 16 August 2023 is not yet reflected within this position.

4.3. In relation to SEF funding, spend and commitment to date is £1.092m with £0.381m still to spend. Known staff costs to 31 March 2024 are reflected within this position, and, as this is a specific grant allocation, funding is received based on actual spend.

Committee will continue to be updated with the spend position for 2023/24 throughout the year for both Scottish Attainment Challenge funded areas.

## **5. Employee Implications**

- 5.1. None

## **6. Financial Implications**

- 6.1. As at 11 August 2023, there is a breakeven position against the phased budget.
- 6.2. The Resource is currently showing a balanced financial position as at 11 August 2023, however, there are several areas of financial risk to Education's budget this year that have been identified:-

**Cost of Transport:** we have been notified of a potential significant increase in spend on transport by Strathclyde Passenger Transport (SPT) for school transport pending the outcome of contract renewals. Resource personnel are working with SPT to consider contract awards and mitigate the risks as appropriate. We will report the wider impact of this to a future meeting when total costs have been quantified.

**Teacher Numbers:** The Cabinet Secretary has held back £45.5 million of funding nationally for the maintenance of Teacher Numbers, until after the 2023 Census details are received by the Government, and until councils provide assurance that they have maintained teacher numbers and pupil support numbers at the 2022 level. For the Council, this amounts to £2.934 million.

Senior officers from the Council have been liaising with the Government since the start of the financial year to explain the Council's position, as a reduction in numbers compared to the 2022 Census position is anticipated. The reason is that the Census 2022 reflected an inflated level of teachers / support staff who were in place because of funding invested by the Council, and not because of Government funding initiatives. The extra staff in place were facilitated by investment monies and temporary Covid funding supporting learning recovery for the 2022/2023 school session only and were never intended to be assumed as the core level of staffing against which the Council should be measured.

The Government has advised that no decision on releasing the funding will be taken until after the Census 2023 has been finalised, and, therefore, there is a risk to the £2.934 million funding currently being held back.

Committee will continue to be updated on the financial implications as we have further clarification at the appropriate time.

- 6.3. Variance explanations are outlined in Appendix A to this report. 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.

## **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for climate change, sustainability or environment in terms of the information contained in the report.

## **8. Other Implications**

- 8.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. There are inflationary and budget pressures, including utilities, this year which increase the risk of overspend, however, we have mitigated this going forward by providing additional funds in the budget strategy. In addition, the risks outlined at paragraph 6.2 above are also noted.

- 8.2. 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.
- 9. Equality Impact Assessment and Consultation Arrangements**
- 9.1. 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.
- 9.2. 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)**

**Carole McKenzie**  
**Executive Director (Education Resources)**

23 August 2023

**Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient and transparent

**Previous References**

- ◆ None

**List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 11 August 2023

**Contact for Further Information**

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

Louise Harvey

Ext: 2658 (Tel: 01698 452658)

E-mail: [louise.harvey@southlanarkshire.gov.uk](mailto:louise.harvey@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Education Resources Committee: Period Ended 11 August 2023 (No.5)

## Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	326,586	326,586	0	116,464	116,200	264	under	0.2%	1,a,b,e,f,g,h
Property Costs	30,907	30,907	0	4,100	4,100	0	-	0.0%	a,g,h
Supplies & Services	15,920	15,920	0	2,480	2,500	(20)	over	(0.8%)	a,f,g,h
Transport & Plant	13,836	13,836	0	4,324	4,614	(290)	over	(6.7%)	2,d,e,g,h
Administration Costs	1,085	1,085	0	471	456	15	under	3.2%	g,h
Payments to Other Bodies	30,249	30,249	0	12,507	12,981	(474)	over	(3.8%)	3,a,b,c,e,g,h
Payments to Contractors	44,115	44,115	0	13,469	13,469	0	-	0.0%	
Transfer Payments	2,574	2,574	0	1,847	1,847	0	-	0.0%	h
Financing Charges	387	387	0	133	133	0	-	0.0%	h
<b>Total Controllable Exp.</b>	<b>465,659</b>	<b>465,659</b>	<b>0</b>	<b>155,795</b>	<b>156,300</b>	<b>(505)</b>	<b>over</b>	<b>(0.3%)</b>	
<b>Total Controllable Inc.</b>	<b>(47,870)</b>	<b>(47,870)</b>	<b>0</b>	<b>(2,950)</b>	<b>(3,455)</b>	<b>505</b>	<b>over recovered</b>	<b>17.1%</b>	<b>4,e,g,h</b>
<b>Net Controllable Exp.</b>	<b>417,789</b>	<b>417,789</b>	<b>0</b>	<b>152,845</b>	<b>152,845</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

Variance Explanations

1. The position represents an underspend in Early Years core staff costs due to vacancies and turnover of staff.
2. The overspend is mainly due to the cost of school transport for mainstream schools.
3. This overspend reflects the increased cost of placements for pupils with additional support needs in Independent Schools.
4. The over recovery of income relates to increased income from Early Years fees.

Budget Virements

- a. Transfers from reserves in relation to Child Disability Funding, Pupil Equity Fund Carry Forward 22/23, GIRFEC, Early Years Job Evaluation, Early Level Teachers and Additional Support for Learning. Net Effect £6.732m: Employee Costs £5.705m, Property Costs £0.083m, Supplies and Services £0.905m and Payments to Other Bodies £0.039m.
- b. Transfer from corporate items in relation to funding for Teachers Pay Award 22/23 and Independent School Placements. Net Effect £12.870m: Employee Costs £11.870m and Payments to Other Bodies £1.000m.
- c. Establish budget to reflect the receipt of general revenue grant funding in relation to Summer Holiday Funding. Net Effect £0.228m: Payments to Other Bodies £0.228m.
- d. Transfer from Community and Enterprise Resources in respect of fuel funding. Net Effect £0.044m: Transport Costs £0.044m.
- e. Establish budget for additional income received for Health and Social Care Partnership, Ukrainian Support, Youth Music Initiative and Youth Employability Programmes. Net Effect £0.000m: Employee Costs £0.612m, Transport Costs £0.274m, Payments to Other Bodies £0.663m and Income (£1.549m).
- f. Realignment of budget to reflect Strategic Equity Fund and Pupil Equity Fund programme delivery. Net Effect £0.000m: Employee Costs £0.607m and Supplies and Services (£0.607m).
- g. Realignment of budget to reflect current service delivery. Net Effect £0.000m: Employee Costs (£0.048m), Property Costs (£0.003m), Supplies and Services £0.064m, Transport Costs £0.001m, Administration Costs £0.011m, Payments to Other Bodies £0.002m, and Income (£0.027m).
- h. Realignment of Education Maintenance Allowance budget and DMS. Net Effect £0.000m: Employee Costs £0.176m, Property Costs £0.158m, Supplies and Services (£0.850m), Transport Costs £0.069m, Administration Costs £0.191m, Payments to Other Bodies £0.180m, Transfer Payments £0.170m, Financing Charges (£0.019m) and Income (£0.075m).