

Report

Report to:	Education Resources Committee
Date of Meeting:	9 November 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)

Subject:	Revenue Budget Monitoring 2020/2021 - 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 2021 to 10 September 2021 for Education Resources.

2. Recommendation(s)

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

- (1) that an overspend of £0.249m as at 10 September 2021 on Education Resources' revenue budget as detailed in Appendix A of the report be noted.
- (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 2021/2022.
- 3.2. The report details the financial position for Education Resources in Appendix A, along with variance explanations and outlines the specific costs incurred in relation to the Resources' COVID response in Appendix B.

4. Scottish Attainment Challenge Funding

- 4.1. The current budget for Education contains £12.235m awarded for Pupil Equity Funding (PEF) and £1.952m for Scottish Attainment Challenge (SAC) as part of the schools programme. Total budget for 2021/2022 is £14.187m and this is contained within this reported position.
- 4.2. In relation to PEF funding, the £12.235m represents £2.326m 2020/2021 carry forward and £8.617m for the 2021/2022 allocation. In addition, a PEF premium of £1.292m (15% of 2021/22 allocation) has been awarded for this financial year. Spend and commitment to date as at 10 September 2021 is £6.094m, with £6.141m still to spend. This includes known staff costs for the period 1 April 2021 to 31 March 2022.
- 4.3. In relation to SAC funding, spend and commitment to date is £1.415m with £0.537m still to spend. Staff costs to 31 March 2022 are reflected within this position, and as this is a specific grant allocation, funding is received based on actual spend.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. As at 10 September 2021, there is an overspend of £0.249m against the phased budget.
- 6.2. Variance explanations are outlined in Appendices A and B to this report. This overspend is COVID related reflecting additional costs relating to utilities due to increased ventilation requirements within schools and establishments, and a reduction in budgeted income from instrumental music service fees in the financial year to date.
- 6.3. Virements are also proposed to realign budgets across budget categories and with other Resources. These movements have been detailed in Appendices A and B 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. 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)

Tony McDaid

Executive Director (Education Resources)

13 October 2021

Link(s) to Council Values/Objectives/Ambitions

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 10 September 2021

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 10 September 2021 (No.6)

Education Resources (including COVID) Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/09/21	Actual 10/09/21	Variance 10/09/21		% Variance 10/09/21	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	294,614	294,614	0	121,755	121,473	282	under	0.2%	1,c,d,e,f
Property Costs	27,326	27,326	0	4,701	4,841	(140)	over	(3.0%)	2,f
Supplies & Services	16,160	16,160	0	2,481	2,481	0	-	0.0%	b,c,d,e,f
Transport & Plant	11,154	11,154	0	4,687	5,047	(360)	over	(7.7%)	3,f
Administration Costs	1,208	1,208	0	749	718	31	under	4.1%	f
Payments to Other Bodies	28,751	28,751	0	9,447	9,491	(44)	over	(0.5%)	a,e,f
Payments to Contractors	36,048	36,048	0	14,316	14,284	32	under	0.2%	
Transfer Payments	2,263	2,263	0	1,980	1,980	0	-	0.0%	f
Financing Charges	347	347	0	156	156	0	-	0.0%	f
Total Controllable Exp.	417,871	417,871	0	160,272	160,471	(199)	over	(0.1%)	
Total Controllable Inc.	(47,989)	(47,989)	0	(34,365)	(34,315)	(50)	under recovered	(0.1%)	4,c,e,f
Net Controllable Exp.	369,882	369,882	0	125,907	126,156	(249)	over	(0.2%)	

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 due to increased utilities costs due to increased ventilation requirements within schools and establishments.
3. The overspend is mainly due to the cost of school transport for both ASN and mainstream schools.
4. The under recovery of income relates to reduced income received from Instrumental Music Service fees and Nursery Milk provision in the financial year to date.

Budget Virements

- a. Transfers to capital (CFCR) in relation to Early Years expansion. Net Effect (£0.336m): Payment to Other Bodies (£0.336m).
- b. Transfers from reserves in relation to ICT cashflow and PEF carry forward. Net Effect £3.026m: Supplies and Services £3.026m.
- c. Establish budget to reflect the receipt of additional General Revenue Grant for Music Tuition, Core Curriculum and Additional Teachers and School Support Assistants. Net Effect £3.667m: Employee Costs £3.196m, Supplies and Services £0.257m and Income £0.214m.
- d. Realignment of Pupil Equity Fund budget to reflect current service delivery. Net Effect £0.000m: Employee Costs £2.527m and Supplies and Services (£2.527m).
- e. Realignment of budget to reflect current service delivery for Early Years Realising Change, Youth Employability, Milk and Healthy Snack Scheme and MCR Pathways. Net Effect £0.000m: Employee Costs £0.415m, Supplies and Services £0.192m, Payments to Other Bodies (£0.346m) and Income (£0.261m).
- f. Realignment of Education Maintenance Allowance budget and DMS. Net Effect £0.000m: Employee Costs (£0.015m), Property Costs (£0.014m), Supplies and Services £0.093m, Transport and Plant £0.026m, Administration Costs £0.062m, Payments to Other Bodies (£0.129m), Transfer Payments £0.013m, Financing Charges £0.004m and Income (£0.041m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Education Resources Committee: Period Ended 10 September 2021 (No.6)

Education Resources COVID

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/09/21	Actual 10/09/21	Variance 10/09/21		% Variance 10/09/21	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	9,237	9,237	0	2,588	2,590	(2)	over	(0.1%)	
Property Costs	1,725	1,725	0	1,516	1,684	(168)	over	(11.1%)	1
Supplies & Services	398	398	0	29	29	0	-	0.0%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1	1	0	1	1	0	-	0.0%	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	11,361	11,361	0	4,134	4,304	(170)	over	(4.1%)	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	11,361	11,361	0	4,134	4,304	(170)	over	(4.1%)	

Variance Explanations

- The overspend is due to increased utilities costs due to increased ventilation requirements within schools and establishments.