

Report

Report to:	Education Resources Committee
Date of Meeting:	18 September 2018
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)

Subject:	Education Resources - Revenue Budget Monitoring 2018/2019
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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 to 17 August 2018 for Education Resources
- ◆ provide a forecast for the year to 31 March 2019

2. Recommendation(s)

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

- (1) that an underspend of £0.232m on Education Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2019 of an underspend of £2.3m be noted.
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the first revenue budget monitoring report presented to the Education Resources Committee for the financial year 2018/2019.

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

4. Scottish Attainment Challenge

4.1. The current budget for Education contains £10.847m for Pupil Equity Funding (PEF) and £1.980m for Scottish Attainment Challenge (SAC) as part of the schools' programme. Total budget for 2018/2019 is £12.827m and is contained within this reported position.

4.2. In relation to PEF funding, the £10.847m represents £2.858m 2017/2018 carry forward allocation and £7.989m for 2018/2019 allocation. Spend and commitment to date as at 17 August 2018 is £3.733m, with £7.114m unspent at this point in time. Staffing funded from PEF from the new school session 14 August 2018 is not yet reflected within this position.

- 4.3. PEF funding for 2018/2019 can be carried forward to support spend and commitment for the full academic session 2018/2019 covering the period April to June 2019. It is estimated, based on a proportionate basis, that £2.3m will be carried forward at the end of the financial year. This will be transferred to reserves at 31 March 2019 to meet spend and commitment in schools in line with 2018/2019 School Improvement Plans. Schools continue to maximise spend where possible in line with these plans and therefore this will be monitored across the financial year.
- 4.4. In relation to SAC funding, spend and commitment to date is £0.983m with £0.997m unspent at this point in time. As this is specific grant allocation, funding will be received based on actual spend. Known staffing for the period April 2018 to March 2019 is included in the £0.983m.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. As at 17 August 2018, there is a £0.232m underspend against the phased budget. The forecast for the revenue budget to 31 March 2019 is an underspend of £2.3m.
- 6.2. The £0.232m reflects underspend within the Early Years' service in relation to timing of staff recruitment and vacancies. £2.3m reflects the current estimate of PEF underspend as outlined in paragraph 5.3 above.
- 6.3. The current revenue position reflects the following movement to and from reserves:-

Transfer from Reserves

- £0.220m to support the transition of the new Youth Family and Community Learning Service and Kearsley Campus

Transfer to Reserves

- Funding for Investment and Priorities: As part of the 2018/2019 Revenue Budget, additional funding allowed monies to be added for teachers and classroom support. As the permanency of the funding could not be confirmed beyond 2019/20, budget was also included in 2018/2019 to cover the costs expected in 2019/20. As the budget for 2019/20 will not be required this year, £1.730m will be transferred to reserves to reflect the 2019/20 costs associated with this investment.

- 6.2. 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.

7. Other Implications

- 7.1. 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.
- 7.2. There are no implications for sustainability in terms of the information contained in this report.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. 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.
- 8.2. 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)

28 August 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 17 August 2018

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 17 August 2018 (No.6)

Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 17/08/18	Actual 17/08/18	Variance 17/08/18		% Variance 17/08/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	224,749	224,749	0	79,992	79,746	246	under	0.3%	1,a,b,c,d,f,g,i
Property Costs	24,501	24,501	0	2,984	2,969	15	under	0.5%	i
Supplies & Services	15,755	13,455	2,300	2,554	2,537	17	under	0.7%	a,b,e,f,i
Transport & Plant	9,252	9,252	0	4,586	4,633	(47)	over	(1.0%)	2,i
Administration Costs	1,136	1,136	0	551	551	0	-	0.0%	i
Payments to Other Bodies	14,628	14,628	0	5,738	5,776	(38)	over	(0.7%)	3,b,g,i
Payments to Contractors	33,671	33,671	0	10,775	10,775	0	-	0.0%	i
Transfer Payments	1,629	1,629	0	1,284	1,277	7	under	0.5%	e,h
Financing Charges	352	352	0	102	99	3	under	2.9%	i
Total Controllable Exp.	325,673	323,373	2,300	108,566	108,363	203	under	0.2%	
Total Controllable Inc.	(17,629)	(17,629)	0	(6,492)	(6,521)	29	over recovered-	(0.4%)	4,a,b,h
Net Controllable Exp.	308,044	305,744	2,300	102,074	101,842	232	under	0.2%	

Variance Explanations

1. This underspend reflects the timing of staff recruitment and vacancies within the Early Years' service.
2. The transport overspend relates to the cost of additional demand in respect of transporting children with Additional Support Needs to school.
3. This overspend reflects the increased costs of Independent School Placements as a result of the new Scot Excel pricing Framework.
4. The over recovery in Early Years' fees relates to increased uptake of nursery places.

Budget Virements

- a. Additional Income from a number of external organisations. Net Effect £0.000m: Employee Costs £0.025m, Supplies and Services £0.029m, and Income (£0.054m).
- b. Additional grant funding for several initiatives including Youth Music Initiative, Scottish Attainment Challenge, Opportunities for All, and Early Years Expansion funding. Net Effect £0.000m: Employee Costs £1.065m, Supplies & Services £2.390m, Payments to Other Bodies £0.476m, Income (£3.931m).
- c. Transfer from Reserves for contribution to Youth, Family & Community Learning, and Kears Campus. Net effect £0.220m. Employee Costs £0.220m.
- d. Transfer to Reserves for 2019/20 Investment and Priorities funding. Net Effect (£1.730m): Employee Costs (£1.730m).
- e. General Revenue Grant supporting School Clothing Grant and Period Poverty. Net Effect £0.483m: Supplies and Services £0.125m, Transfer £0.358m.
- f. Realignment of budget to Finance & Corporate Resources for the Early Years Training team and to Community & Enterprise Resources in respect of Free School Meals. Net Effect (£0.566m): Employee (£0.086m), Supplies and Services (£0.480m).
- g. Transfer of budget from Finance & Corporate Resources for Tackling Poverty and Early Years Modern Apprentices, and transfer of budget from Community & Enterprise Resources for Youth Employability staffing. Net Effect £0.853: Employee Costs £0.651m, Payments to Other Bodies £0.202m.
- h. Realignment of Education Maintenance Allowance budget. Net Effect £0.000m: Transfer Payments £0.296m, Income (£0.296m).
- i. Realignment of DMS. Net Effect £0.000m: Employee Costs £2.514m, Property (£0.054m), Supplies and Services £0.774m, Transport and Plant £0.084m, Administration Costs £0.237m, Payments to Other Bodies (£0.699m), Payments to Contractors £0.003m, Finance Charges (£2.859m).