

# Report

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Report to:	<b>Education Resources Committee</b>
Date of Meeting:	<b>31 August 2010</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b> <b>Executive Director (Education Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2010/2011 - 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 2010 to 9 July 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, and the forecast to 31 March 2011 of break even 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 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 9 July 2010, there was a breakeven position against phased budget. The forecast for the revenue budget to 31 March 2011 is a break even position.

## 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.

**Linda Hardie**

**Executive Director (Finance and Information Technology Resources)**

**Larry Forde**

**Executive Director (Education Resources)**

27 July 2010

### **Link(s) to Council Values and Objectives**

- ◆ Value: Accountable, Effective and Efficient

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 9 July 2010

### **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 9 July 2010 (No.4)

## Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 09/07/10	Actual 09/07/10	Variance 09/07/10		% Variance 09/07/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	196,900	196,900	0	50,903	51,322	(419)	over	(0.8%)	1, a, b, c, i
Property Costs	30,454	30,454	0	10,631	10,300	331	under	3.1%	2, d, e, f, g, i
Supplies & Services	13,400	13,400	0	7,539	7,401	138	under	1.8%	3, a, h, i
Transport & Plant	10,792	10,792	0	2,689	2,690	(1)	over	0.0%	i
Administration Costs	1,063	1,063	0	215	215	0	-	0.0%	a, h, i
Payments to Other Bodies	12,456	12,456	0	4,087	4,154	(67)	over	(1.6%)	4, a, i
Payments to Contractors	26,940	26,940	0	4,691	4,691	0	-	0.0%	i
Transfer Payments	1,159	1,159	0	787	786	1	under	0.1%	A
Financing Charges	728	728	0	504	504	0	-	0.0%	i
<b>Total Controllable Exp.</b>	<b>293,892</b>	<b>293,892</b>	<b>0</b>	<b>82,046</b>	<b>82,063</b>	<b>(17)</b>	<b>over</b>	<b>0.0%</b>	
<b>Total Controllable Inc.</b>	<b>(6,672)</b>	<b>(6,672)</b>	<b>0</b>	<b>(1,360)</b>	<b>(1,377)</b>	<b>17</b>	<b>over recovered</b>	<b>(1.3%)</b>	<b>a</b>
<b>Net Controllable Exp.</b>	<b>287,220</b>	<b>287,220</b>	<b>0</b>	<b>80,686</b>	<b>80,686</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Variance Explanations****1. Employee Costs**

The overspend is due to increased average salaries relating mainly to School Support and Early Years employees and also costs in relation to Teachers, including cover, particularly in respect of maternity cover.

**2. Property Costs**

The underspend is due to savings built up in Other Property Costs. This underspend will be used to manage budget pressures across the Resource.

**3. Supplies and Services**

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

**4. Payment to Other Bodies**

The overspend is due to Scottish Qualification Authority costs, which is a demand led service

**Budget Virements**

- Additional Income from a number of external organisations: Employee Costs £1.262m; Supplies and Services £0.146m; Administration £0.022m; Payments to Other Bodies £0.087m; Transfer Payments £0.454m; Income (£1.971m)
- Transfer to centrally held funds held in respect of National Diagnostics (£0.549): Employee (£0.549m)
- Additional General Government Grant for Teachers £0.050m: Employee Costs £0.050m
- Transfer to centrally held funds in respect of Utilities (£1.501m): Property Costs (£1.501m)
- Transfer from centrally held funds in respect of Rates realignment £1.348m: Property Costs £1.348m
- Transfer to Housing and Technical Resources for Legislative Compliance (£0.289m): Property (£0.289m)
- Transfer to Community for Grounds Maintenance (£0.016m): Property (£0.016m)
- Transfer to Corporate Resources for Recruitment Advertising and Improve Budget (£0.057m): Supplies and Services (£0.016m) Administration (£0.041m)
- Realign budget to reflect management savings and expenditure needs: Employee (£0.174m), Property (£0.215m), Supplies and Services (£0.258m), Transport and Plant £0.196m, Administration (£0.011m), Payments to Other Bodies (£0.365m), Payment to Contractors £0.846m, Finance Charges (£0.019m)