

# Report

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Report to:	<b>Education Resources Committee</b>
Date of Meeting:	<b>16 March 2010</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources) Executive Director (Education Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2009/2010 - 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 2009 to 22 January 2010 for Education Resources
- ◆ provide a forecast for the year to 31 March 2010.

## **2. Recommendation(s)**

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

- (1) that the break even position on Education Resources' revenue budget, as detailed in Appendix A of the report, be noted;
- (2) that following the probable outturn exercise, the forecast to 31 March 2010 of break even be noted; and
- (3) 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 2009/2010.

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 22 January 2010, there is a break even position against phased budget.

5.2. Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2010 is a break even position. The breakeven position shown against Education Resources is after the transfer of budget from Financing Charges to fund the Secondary Schools Modernisation Works Compensation Event (£1.578m), as approved by the Executive Committee on 8 July 2009. The Education budget also reflects a transfer from Financing Charges in respect of Utilities (£1m) to cover the predicted overspend in 2009/2010, for which approval was sought at the Executive Committee on the 10 February 2010. Budgetary provision for the increase in utilities costs was included in the preparation of the 2009/2010 budget.

- 5.3. 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. None

**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)**

2 February 2010

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

- ◆ Value: Accountable, Effective and Efficient

**Previous References**

- ◆ Education Resources Committee of 19 January 2010
- ◆ Executive Committee of 8 July 2009 and 10 February 2010

**List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 22 January 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 22 January 2010 (No.11)

## Education Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	195,701	197,801	(2,100)	150,881	152,354	(1,473)	over	(1.0%)	1, a
Property Costs	32,458	30,858	1,600	27,700	26,530	1,170	under	4.2%	2, a, b, c
Supplies & Services	15,000	14,700	300	12,443	12,235	208	under	1.7%	3, a
Transport & Plant	10,668	10,668	0	7,190	7,190	0	-	0.0%	a
Administration Costs	1,112	1,112	0	861	851	10	under	1.2%	a
Payments to Other Bodies	13,722	13,422	300	10,336	10,274	62	under	0.6%	4, a
Payments to Contractors	23,878	23,878	0	16,889	16,889	0	-	0.0%	c
Transfer Payments	1,835	1,835	0	1,818	1,818	0	-	0.0%	a
Financing Charges	709	709	0	596	596	0	-	0.0%	
<b>Total Controllable Exp.</b>	295,083	294,983	100	228,714	228,737	(23)	over	0.0%	
<b>Total Controllable Inc.</b>	(8,339)	(8,239)	(100)	(6,351)	(6,374)	23	over recovered	0.4%	a
<b>Net Controllable Exp.</b>	286,744	286,744	0	222,363	222,363	0	-	0.0%	

**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 net underspend is due to management savings built up in Other Property Costs, this underspend will be used to manage budget pressures across the Resource. This underspend is partially offset by increased security costs at decant facilities, costs of refuse uplift, cleaning costs and higher than anticipated spend on Repairs and Maintenance.

**3. Supplies and Services**

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

**4. Payment to Other Bodies**

The net underspend is due to less than anticipated expenditure on Inclusive Education Pupils in Other Local Authorities. This is partially offset by Scottish Qualification Authority costs. Both of these services are demand led.

**Budget Virements**

- Additional Income from a number of external organisations: Employee Costs £0.122m; Property Costs £0.004m; Supplies and Services £0.035m; Transport and Plant £0.007m; Administration £0.023m; Payments to Other Bodies £0.148m; Transfer Payments £0.351m; Income (£0.690m)
- Transfer to Community Resources for Carlisle Integrated Facility (£0.010m): Property Costs (£0.010m)
- Transfer of Central Funds for Crosshouse Campus, Utilities and Works Compensation Events £2.824m: Property £1.246 and Payment to Contractors £1.578m