

Report

Report to:	Education Resources Committee
Date of Meeting:	31 August 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)

Subject:	Revenue Budget Monitoring 2021/2022 - 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 16 July 2021 for Education Resources.

2. Recommendation(s)

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

- (1) that an overspend of £0.174m as at 16 July 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 first 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 £1.971m for Scottish Attainment Challenge (SAC) as part of the schools programme. Total budget for 2021/2022 is £14.206m 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 2021/2022 allocation) has been awarded for this financial year. Spend and commitment to date as at 16 July 2021 is £3.317m, with £8.918m still to spend. This includes known staff costs for the period April 2021 to August 2021, however, staffing for the new school session from 12 August 2021 is not yet reflected within this position. Committee will be updated with the spend position for 2021/2022 throughout the year.
- 4.3. In relation to SAC funding, spend and commitment to date is £1.233m with £0.738m 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. Committee will continue to be updated with the spend position for 21/22 throughout the year.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. As at 16 July 2021, there is an overspend of £0.174m against the phased budget.
- 6.2. Variance explanations are outlined in Appendices A and B to this report and this overspend is COVID related reflecting an overspend relating to increased utilities costs due to increased ventilation requirements within schools and establishments and a reduction in budgeted income from instrumental music service fees and nursery milk provision 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.
- 6.4. These virements include £9.116m specific grant received and £2.245m Council Investment for Education COVID Learning Recovery to offset costs in Appendix B - £3.093m to date. There is a further £3.647m specific grant available for this financial year that will be allocated as required once confirmed later in the year as projects commence from August 2021.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no implications for climate change or the environment in terms of the information contained in this 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)

4 August 2021

Link(s) to Council Values/Objectives

- ♦ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 16 July 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 16 July 2021 (No.4)

Education Resources (including COVID) Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 16/07/21	Actual 16/07/21	Variance 16/07/21		% Variance 14/08/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	288,491	288,491	0	78,697	78,500	197	under	0.3%	1,a,b,c,g,h,i,k
Property Costs	27,340	27,340	0	3,602	3,652	(50)	over	(1.4%)	2,a,b,i,j,k
Supplies & Services	15,119	15,119	0	1,887	1,887	0	-	0.0%	a,c,e,g,h,i,k
Transport & Plant	11,128	11,128	0	2,931	3,204	(273)	over	(9.3%)	3,j
Administration Costs	1,146	1,146	0	520	493	27	under	5.2%	a,k
Payments to Other Bodies	29,562	29,562	0	5,763	5,772	(9)	over	(0.2%)	b,d,g,i,j,k
Payments to Contractors	36,047	36,047	0	8,148	8,127	21	under	0.3%	j
Transfer Payments	2,250	2,250	0	1,629	1,629	0	-	0.0%	d,k
Financing Charges	343	343	0	63	63	0	-	0.0%	f,k
Total Controllable Exp.	411,426	411,426	0	103,240	103,327	(87)	over	(0.1%)	
Total Controllable Inc.	(47,901)	(47,901)	0	(3,122)	(3,035)	(87)	under recovered	(2.8%)	4,c,g,h,i,j,k
Net Controllable Exp.	363,525	363,525	0	100,118	100,292	(174)	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 of budget for Education COVID Learning Recovery funding received. Net Effect £9.116m: Employee Costs £6.992m, Property Costs £1.725m, Supplies and Services £0.398m and Administration £0.001m.
- b. Transfers from reserves in relation to GIRFEC, ASL Adaptations and Children's Neighbourhood Scotland Project. Net Effect £0.385m: Employee Costs £0.142m, Property Costs £0.100m and Payments to Other Bodies £0.143m.
- c. Establish budget to reflect the receipt of Scottish Attainment Challenge funding. Net Effect £0.000m: Employee Costs £0.860m, Supplies and Services £1.133m and Income (£1.993m).
- d. Establish budget to reflect the receipt of General Revenue Grant funding for Summer Programmes and School Clothing Grants. Net Effect £1.178m: Payments to Other Bodies £0.882m and Transfer Payments £0.296m.
- e. CFCR transfer for WAN capitalisation. Net Effect (£0.700m): Supplies and Services (£0.700m).
- f. Transfer of budget for Modular Teaching Units to Loan Charges. Net Effect (£0.059m): Financing Charges (£0.059m).
- g. Establish budget for additional income received for STEM, Early Learning and Childcare Temporary Restrictions Fund and Milk and Healthy Snack Scheme, West Partnership, Youth Employability, Young Peoples Guarantee, DYW and Youth Music Initiative funding. Net Effect £0.000m: Employee Costs £1.187m, Supplies and Services £0.022m, Payments to Other Bodies £0.848m and Income (£2.057m).
- h. Establish budget to reflect the receipt of Pupil Equity Funding Premium. Net Effect £0.000m: Employee Costs £1.380m Supplies and Services (£0.088m) and Income (£1.292m).
- i. Realignment of Early Years budget to reflect current service delivery. Net Effect £0.000m: Employee Costs £1.134m, Property Costs £0.103m, Supplies and Services (£0.516m), Payments to Other Bodies (£0.919m) and Income £0.198m.
- j. Realignment of budget to reflect current service delivery. Net Effect £0.000m: Property Costs (£0.100m), Transport £0.571m, Payments to Other Bodies £0.200m, Payments to Contractors (£0.471m) and Income (£0.200m).
- k. Realignment of Education Maintenance Allowance budget and DMS. Net Effect £0.000m: Employee Costs £0.640m, Property Costs £0.0048m, Supplies and Services (£1.348m), Transport and Plant £0.014m, Administration Costs £0.331m, Payments to Other Bodies £0.378m, Transfer Payments £0.315m, Financing Charges (£0.031m) and Income (£0.347m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Education Resources Committee: Period Ended 16 July 2021 (No.4)

Education Resources COVID

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 16/07/21	Actual 16/07/21	Variance 16/07/21		% Variance 14/08/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	9,237	9,237	0	1,528	1,534	(6)	over	(0.4%)	a,b
Property Costs	1,725	1,725	0	1,464	1,533	(69)	over	(4.7%)	1,a
Supplies & Services	398	398	0	25	25	0	-	0.0%	a
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1	1	0	1	1	0	-	0.0%	a
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	3,018	3,093	(75)	over	(2.5%)	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	11,361	11,361	0	3,018	3,093	(75)	over	(2.5%)	

Variance Explanations

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

Budget Virements

- Transfers of budget for Education COVID Learning Recovery funding received. Net Effect £9.116m: Employee Costs £6.992m, Property Costs £1.725m, Supplies and Services £0.398m and Administration £0.001m.
- Realignment of Council Investment for Education Learning Recovery. Net Effect £2.245m: Employee Costs £2.245m.