

# Report

## 4

Report to:	<b>Education Resources Committee</b>
Date of Meeting:	<b>29 March 2011</b>
Report by:	<b>Chief Executive and Executive Director (Education Resources)</b>

Subject:	<b>Education Resources - Revenue Budget Monitoring 2010/2011</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 18 February 2011 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, be noted;
- (2) that following the probable outturn exercise, the forecast to 31 March 2011 of break even be noted; and
- (3) that the proposed budget virements be approved.

### 3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Education Resources Committee for the financial year 2010/2011.

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 18 February 2011, there is a breakeven position against phased budget.

5.2. Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2011 is a break even position.

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. 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.

**Archibald Strang**  
**Chief Executive**

**Larry Forde**  
**Executive Director (Education Resources)**

2 March 2011

### **Link(s) to Council Values/Improvement Themes/Objectives**

- ◆ Accountable, Effective and Efficient

### **Previous References**

- ◆ Education Resources Committee, 1 February 2011

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 18 February 2011

### **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 18 February 2011 (No.12)

## Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	197,923	198,523	(600)	163,574	164,124	(550)	over	(0.3%)	1, a, b
Property Costs	30,755	30,755	0	27,233	27,233	0	-	0.0%	a
Supplies & Services	14,248	14,098	150	12,324	12,041	283	under	2.3%	2, a
Transport & Plant	10,197	9,697	500	8,676	8,364	312	under	3.6%	3, a
Administration Costs	1,107	1,107	0	819	835	(16)	over	(2.0%)	a
Payments to Other Bodies	13,303	13,003	300	11,121	10,903	218	under	2.0%	4, a
Payments to Contractors	27,377	27,377	0	22,417	22,417	0	-	0.0%	
Transfer Payments	1,844	1,844	0	1,814	1,815	(1)	over	(0.1%)	a
Financing Charges	675	675	0	635	635	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>297,429</b>	<b>297,079</b>	<b>350</b>	<b>248,613</b>	<b>248,367</b>	<b>246</b>	<b>under</b>	<b>0.1%</b>	
<b>Total Controllable Inc.</b>	<b>(8,207)</b>	<b>(7,857)</b>	<b>(350)</b>	<b>(6,644)</b>	<b>(6,398)</b>	<b>(246)</b>	<b>under recovered</b>	<b>(3.7%)</b>	<b>5, a</b>
<b>Net Controllable Exp.</b>	<b>289,222</b>	<b>289,222</b>	<b>0</b>	<b>241,969</b>	<b>241,969</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.

**2. Supplies and Services**

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

**3. Transport and Plant**

The underspend is due to improved contract management within Strathclyde Passenger Transport.

**4. Payments to Other Bodies**

This underspend is mainly due to Residential School Places, which is a demand led service, with the underspend being used to manage budget pressures elsewhere in the Resource.

**5. Income**

This under recovery is a result of the income from Music Tuition and Privilege Transport being lower than anticipated.

Budget Virements

- a. Additional Income from a number of external organisations: Employee Costs £0.032m; Property Costs £0.001m; Supplies and Services £0.047m; Transport and Plant £0.009m; Administration Costs £0.003m; Payments to Other Bodies £0.163m; Transfer Payments £0.216m; Income (£0.471m).
- b. Additional Revenue Grant for Teachers Induction Scheme: Employee £2.469m